

POLICY TITLE:	<b>Collection of Self-Pay Balances</b>
POLICY:	<p>St. Luke's expects patients to pay their out-of-pocket expenses in full for services received. St. Luke's sends a series of statements and billing notices, places phone calls (including, but not limited to, calls to patient's cell phones via automated dialer), partners with an early-out vendor, and uses tools to identify patient's ability to pay their out-of-pocket expenses.</p> <p>St. Luke's Revenue Cycle assists patients in making financial arrangements or applying for financial assistance if they are unable to pay their out-of-pocket expenses.</p> <p>St. Luke's does not engage in "extraordinary collection actions" for up to 120 days after the patient gets their first statement.</p>
SCOPE:	<p>This policy applies to St. Luke's workforce and all locations where St. Luke's Health System or its subsidiaries conduct business and/or care for patients. These locations include inpatient and outpatient locations that are part of St. Luke's Boise, St. Luke's Meridian, St. Luke's Magic Valley, St. Luke's Wood River, St. Luke's McCall, St. Luke's Jerome and St. Luke's Elmore.<sup>1</sup> A facility, business or contractor that is affiliated with St. Luke's Health System or one of its subsidiaries may also use this policy if its processes are consistent with this policy and a different policy has not been implemented.</p>
DEFINITIONS:	<p><b>Collection/Bad Debt Agency:</b> An agency that assumes responsibility of the collection efforts on a patient account once St. Luke's writes off the balance from the accounts receivable to bad debt. See RC016 SLHS Bad Debt.</p> <p><b>Collection Efforts:</b> Includes: sending statements and letters, phone calls, and in person contact.</p> <p><b>Early-out Agency:</b> An agency that works on behalf of St. Luke's to collect patient balances while the balance is still part of the accounts receivable.</p> <p><b>Detail Bill:</b> A billing notice for a specific visit containing a detailed listing of charges, payments, and adjustments related to the visit.</p>

<sup>1</sup> The facilities listed are wholly owned by one of the following legal entities, the parent corporation of all of which is St. Luke's Health System, Ltd.: St. Luke's Regional Medical Center, Ltd. (St. Luke's Boise, St. Luke's Meridian and St. Luke's Elmore); St. Luke's Magic Valley Regional Medical Center, Ltd. (St. Luke's Magic Valley and St. Luke's Jerome); St. Luke's McCall, Ltd. (St. Luke's McCall); and St. Luke's Wood River Medical Center, Ltd. (St. Luke's Wood River)..

St. Luke's process for developing policies and the **content of policies is proprietary** business information and **may only be shared** outside of St. Luke's **with permission** from a Sr. Director, Administrator, Vice President, or CEO, or as required by law.

If this is a patient care policy, the information contained herein is used to provide guidance in the care of patients, but should not, and does not replace or preclude the use of clinical judgment.

<b>FOR OFFICE USE ONLY</b>			
Originator:	Revenue Cycle	Original Date:	01/31/12
Revised Date:	03/22/16, 09/02/16		
Effective Date:	03/31/16		

DEFINITIONS continued...	<p><b>Extraordinary Collection Action (ECA):</b></p> <ul style="list-style-type: none"> <li>• Reporting a patient’s delinquent debt to a credit bureau’</li> <li>• Selling a patient’s debt to a third party;</li> <li>• Placing a lien on a patient’s property;</li> <li>• Foreclosing on a patient’s real property;</li> <li>• Attaching or seizing a patient’s bank account or any other personal property;</li> <li>• Commencing a civil action against a patient;</li> <li>• Causing a patient’s arrest;</li> <li>• Causing a patient’s to be subject to a writ of body attachment; and, garnishing a patient’s wages.</li> </ul> <p><b>Guarantor:</b> The individual who is financially responsible for payment of an account balance, and may or may not be the patient.</p> <p><b>Monthly Guarantor Statement:</b> A billing notice with summary information of charges, payments, and adjustments for all outstanding hospital and professional balances.</p> <p><b>Out of Pocket Expenses:</b> The share of the expenses that a patient pays directly to St. Luke’s based upon the information available at the time of patient interaction or service. Out-of-pocket expenses include patient co-payments, deductibles, co-insurance amounts and self-pay balances.</p> <p><b>Outsourced:</b> Is the contracting of a business process to our early out agency that aids in collection efforts of current receivables.</p>
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### Effective Date and Implementation Period:

This policy applies to accounts associated with care or services provided on or after October 1, 2016. For accounts associated with care or services provided prior to this policy’s effective date, the collection policy in place at the time of service will apply. Refunds will be provided only for payments made in excess of the amount generally billed for accounts associated with services provided after October 1, 2016.

### I. COLLECTIONS STANDARDS

- A. St. Luke’s does not discriminate on the basis of race, color, national origin, citizenship, alienage, religion, creed, gender, sexual preference, age, or disability when pursuing patient out-of-pocket expenses.
- B. St. Luke’s pursues patient out-of-pocket expenses fairly and consistently.
- C. St. Luke’s provides prompt and courteous financial counseling upon request and will assist these patients in applying for Medicaid and/or financial assistance from state, federal, or private agencies in order to meet their financial obligations. See RC013 SLHS Financial Care.
- D. All collection agencies are required by contract to comply with the collections standards and scope of practices defined by St. Luke’s.
- E. All collection efforts are documented in the patient billing system including statements sent, letters sent, phone calls, in person contact, and any other collection effort made.

**II. REASONABLE EFFORTS TO INFORM OF ASSISTANCE****A. Statements and Billing Notices:**

1. The first statement contains information for all outstanding professional and hospital balances, once the account balance becomes patient responsibility.
2. Subsequent monthly statements are sent containing information for all outstanding professional and hospital balances. A minimum of four monthly statements are sent after the balance becomes patient responsibility before referring an account to a bad debt agency, unless statements are returned undeliverable. See RC015 SLHS Customer Service regarding Return Mail.
3. A detail bill is sent any time upon request.
4. No account will be subject to bad debt collection actions within 120 days of issuing the first post-discharge statement and without first making reasonable efforts to determine whether that patient or guarantor is eligible for Financial Care. There may be exceptions to the 120 day timeframe if a determination has been made on financial assistance within this time.
5. No extraordinary collection actions will be pursued against a patient or guarantor, if they have provided documentation showing that an application for Medicaid, or other publicly sponsored health programs, that may pay the outstanding claim has been submitted and determination is pending.
6. A presumptive eligibility model will be used to screen accounts that have a patient balance remaining after the accounts receivable cycle has completed but before the account is assigned to bad debt. It will be used for the purpose of granting financial assistance to eligible accounts.
7. Patients are notified that a particular account will be referred to a collection agency unless the balance is paid in full, a payment arrangement is agreed upon, or an application has been submitted for Financial Care. See RC016 SLHS Bad Debt.

**B. Early-out Agencies:**

1. Placement:
  - a. Patient accounts may be automatically outsourced to an early-out agency after the account balance becomes patient responsibility.
  - b. HIPAA elective self-pay accounts will be handled in-house. See RC056 SLHS HIPAA Self Pay.
2. Call Treatment:
  - a. From the time an account is outsourced, the early-out agencies accept inbound calls from the patient.
  - b. The early-out vendor initiates the agreed upon outbound call strategy in order to bring the accounts to a zero balance in an effort to resolve any outstanding balances.
3. St. Luke's places accounts on hold at an early-out vendor under certain circumstances, including:
  - a. Discovery of eligible insurance coverage.
  - b. Complete Financial Care Application is received.
  - c. Accounts associated with a care or safety dispute.

- d. Accounts associated with a revenue cycle dispute (billing, cash, refund, insurance, etc.).
4. St. Luke's retains accounts from an early-out vendor under certain circumstances.
  - a. Accounts associated with a bankruptcy filing.
  - b. Accounts associated with a deceased guarantor.
  - c. Accounts with no balance resolution after 120 days with the vendor.
  - d. Accounts associated with undeliverable mail.

### III. COLLECTION ACTIONS AUTHORIZED IN EVENT OF NON-PAYMENT

Collection agencies may aid in the collection of patient self-pay balances. All collection agencies making collection efforts for St Luke's accounts must have written contract requiring them to conform to St Luke's collection policies and applicable state and federal laws.

- A. The following collection actions have been authorized by the St Luke's Health System Board of Directors in the event that a patient or guarantor has not taken actions necessary to resolve unpaid accounts in accordance with this policy.
  1. Credit Reporting: Collection agencies working on behalf of St Luke's are authorized to report accounts to consumer credit reporting agencies after the account has been verified and if the account has not be resolved within the placement period. Typically, accounts are placed at a collection agency for 180 days.
  2. Liens: St. Luke's reserves the right to attach to personal assets for patients who exhibit income in excess of 200% of FPL (e.g., checking/savings/money market account(s), property liens)).
- B. Other Collection Efforts: In addition to statement and billing notices and phone calls, other efforts, including additional telephone calls (including, but not limited to, calls to patient's cell phones via automated dialer), pre-collection letters, electronic notifications and any other reasonable methods, may be used to contact the patient in order to collect on debts owed.
- C. Notice of Extraordinary Collection Actions: Patients or guarantors will be sent a written notice at least 30 days prior to initiating any collection actions for unresolved bills. The notice will include a plain language summary of the St Luke's Financial Care Policy, describe how to apply for assistance and explain any extraordinary collection actions that will be initiated after 30 days unless a Financial Care application is submitted or the bills are otherwise resolved. During this time, reasonable efforts will be made to orally notify patients or guarantors of the Financial Care policy and how to obtain assistance with the application process.
  1. Within the 240 days from the first post-discharge invoice, if a patient or guarantor applies for Financial Care, extraordinary collection actions initiated on such accounts will cease while the application is under consideration.
  2. No further collection actions will be taken if the applicant is approved for free care. If the applicant is denied financial care or is approved for a partial discount, appropriate steps must be taken by the patient or guarantor to resolve the outstanding balance or additional collection actions will be pursued.
  3. Applicants approved for Financial Care will be refunded payments made in excess of the amount determined owed by the patient or guarantor on accounts approved for Financial Care within the 240 day timeframe. Such refunds apply to excess payments of \$10 or more.

4. St Luke’s Health System, Patient Financial Services, will review all relevant collection activity to ensure that all attempts to resolve outstanding balances have been pursued and reasonable efforts made to inform patients or guarantors of the availability of assistance prior to pursuing extraordinary collection actions.

**IV. MONITORING COLLECTION AGENCIES**

Third party collection agencies working on behalf of St Luke’s will be monitored to assure that they comply with St Luke’s Health System policies.

**V. OBTAINING POLICY**

Information on this policy will be made available to patients and the community serviced by St Luke’s hospitals by contacting Patient Financial Services.

**VI. POLICY APPROVAL**

This Collection policy is subject to periodic review. This policy was approved by St Luke’s System Operations

RELATED DOCUMENTS:	RC013 SLHS Financial Care and Charity RC015 SLHS Customer Service RC016 SLHS Bad Debt RC056 SLHS HIPAA Elective Self-pay
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AUTHORIZED BY:

Original Signed by Chris Roth 03/22/16  
 Sr. Vice President, Chief Operating Officer Date

Date	Summary of Interim Change(s) / Annual Review	Author / Title
09/02/16	<b>Interim Change:</b> Policy updated to align with 501r requirements. Changes consists of: additional details regarding patient notification, and collection actions.	Brenden Warwick Project Manager, SBO Customer Service

