

Billing and Collection Policy Checklist

There are really only six steps to complete a billing and collection policy:

Step 1. Describe the actions the hospital will take. A starting place for this requirement is the "reasonable efforts" that are required:

- Reasonable Effort 1: Three separate statements - Each statement is required to have a conspicuous written notice that includes: 1) statement that financial assistance is available, 2) telephone number to call for help 3) direct website address. This is required to be of sufficient size and clearly readable.
- Reasonable Effort 2: Plain Language Summary to be included with one post-discharge communication. Some facilities have used the backer of the notice (back page) to include the plain language summary in each notice.
- Reasonable Effort 3: Final Notice- The regulation requires that the final notice include the intended Extraordinary Collection Actions (ECA) along with a deadline date before ECAs can occur. The deadline date must be at least 30 days before Extraordinary Collection Actions begin, as well as no earlier than 120 days from the first post-discharge statement. The final notice is only required to be sent to the subset of patients that the ECA are intended to be performed upon.
- Reasonable Effort 4: Oral Communication "Attempt": Prior to initiation of any ECAs, an oral attempt will be made to contact the responsible individual(s) by telephone at the last known telephone number, if any, at least once during the series of mailed or emailed statements as long as the account remains unpaid. The oral attempt is only required to the subset of patients that the ECA are intended to be performed upon. Many facilities are training all those that communicate with patients with regards to a patient's financial obligations to orally offer financial assistance in all conversations. This is similar to "our calls may be recorded" but with "financial assistance is available to those that qualify".

Other possible additions of the actions the hospital will take:

- Application Submissions - What will happen if an application is denied or incomplete? What actions will your hospital take?
- General statement to protect the Hospital: Hospital may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.
- Scoring: Responsible individual(s) propensity to pay will be scored based on an assessment of the responsible individual(s) likelihood to pay and dollar amount.

Step 2. Describe the Actions a collection partner may take

- Extraordinary Collection Actions (ECA): Did you describe the ECA that the collection agency will take?
- Additional requirement is to describe actions a collection partner may take "not limit to just the ECAs" : Did you describe, in a general manner, the other items the collection agency may take such as: "Hospital and external

Billing and Collection Policy Checklist

collection agencies may also take any and all legal actions including but not limited to telephone calls, emails, texts, mailing notices, and skip tracing to obtain payment for medical services provided.”

Step 3. Describe the process and timeframes the Hospital (or other authorized party) will use in taking these actions.

- The regulation spells out these timeframes clearly. 1) 120 days from the post-discharge statement for ECAs. 2) required to give a Deadline date no earlier than the 120 day past the post discharge statement or 30 days after mailing; whichever is greater.
 - If an application is denied or incomplete you will be required to notify the patient of denial or requirements to complete the application with a deadline date of 30 days before ECAs will resume or begin.
-

Step 4. Describe any reasonable efforts to determine whether an individual is FAP-eligible as described in section 501(r)(6). See Step 1 above.

Step 5. The FAP or billing and collections policy must describe the office, department, committee, or other body with the final authority or responsibility for determining that the hospital facility has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in Extraordinary Collection Actions against the individual.

Step 6. How can individuals obtain a free copy?