

<p>Patient Financial Services Patient Billing and Collections</p>
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**Policy Statement:**

*Insurance Billing –*

CarolinaEast Medical Center (CMC) will file patient insurance claims whether or not the Medical Center contracts with a payer. However the patient must assigned benefits to the Medical Center prior to billing. Additionally, the Medical Center will comply with payer contractual “Held Harmless” and “Balance Billing” provisions. When there is no contract the patient does not have such protection.

*Self - Pay Billing –*

Patients with or without insurance coverage shall receive one inpatient summary bill and one outpatient detail billing for each encounter. An inpatient itemized (detailed) bill is available for inpatient accounts upon request and shall be in an understandable format.

A patient will receives various types of billing statements including non-payment due statements when there is pending insurance. Once a balance is deemed a patient’s responsibility there are many types of messages tied to a billing statement. One such message alerts patients of pending collection agency placement that is sent at least thirty (30) days prior to collection agency placement.

Under no circumstances will a patient be asked to pay for services not rendered or not medically necessary. *Exception: Not medically necessary, non-covered and other services such as cosmetic surgery are a patient’s responsibility provided the patient signed a financial waiver or Medicare’s Advance Beneficiary Notice (ABN).*

CMC values proper charging and will make every effort to remove unsubstantiated, inappropriate or otherwise faulty charges. Likewise under charges may be added to an existing account when a late charge is submitted by a department or is discovered during audits. The Patient Financial Service (PFS) department shall maintain a mechanism and policy to resolve patient billing and charge disputes.

CMC policy is to make reasonable efforts to refund patient overpayments or transfer credits to another open patient balances within 45 days from the final adjudication of an account.

Collection efforts will be suspended including recalling accounts from collection agencies once a financial assistance application is approved. If the patient doesn’t qualify for financial assistance collection activities will continue. Patients who apply for financial assistance will receive written notice of approval or denial. CarolinaEast Medical Center’s Financial Assistance policy can be found at:

<http://www.carolinaeasthealth.com/patients/financialservices/default.aspx>.

Medical Center staff and collection agencies shall comply with all applicable collection laws and regulations.

CMC will comply with the specific provision of NC HB 834 relating to billing. For debts arising from the provision of care by a hospital or ambulatory surgical center, the doctrine of necessities as it existed at common law shall apply equally to both spouses, except where

they are permanently living separate and apart, but shall in no event create any liability between the spouses as to each other.

*Service Cost Estimates -*

Upon request, CarolinaEast Medical Center will make reasonable efforts to communicate a patient's financial liability whether verbally or in writing. An estimate is not a guarantee of cost. The Medical Center also provides cost information at:

<http://www.carolinaeasthealth.com/patients/financialservices/patient-out-of-pocket-estimator/default.aspx>.

*Charge Audits -*

Upon a patient's written request, CarolinaEast Medical Center Providers will conduct a charge audit to determine the validity of charges by reviewing the patient's medical record and physician orders. This free audit is available to all patients provided that charges affect payer reimbursement or patient liability. The patient is expected to pay legitimate net charges deemed to be a patient balance, notwithstanding a patient's qualification for financial assistance.

*Outsourcing Self-Pay accounts -*

CarolinaEast Medical Center may outsource self-pay accounts to an "Early Out" vendor as an extension of the Medical Center's business office. These accounts are not considered bad debt or collection accounts until all requirements of this policy have occurred.

**Purpose:**

The purpose of this policy is to describe billing and self-pay collection activities, collection agency placements and collection remedies. For the purpose of this policy the term patient shall have the same meaning as a financially responsible party.

*Internal Self Pay Collection Activities -* Staff may request a deposit for patient balances or anticipated balances prior to rendering scheduled/ elective services and after triage for emergency service in accordance with Emergency Medical Treatment and Active Labor Act (EMTALA) and IRS 501(r) rules. *Emergency services shall not be delayed or denied due to a patient's inability to pay.*

Internal collection activities consist of phone calls and statement mailings with tailored messages designed to communicate the status of the debt.

*Use of Collection Agencies -*

CarolinaEast Medical Center engages the services of collection agencies for the purpose of collecting patient debts.

*Extraordinary Collection Activities -*

The Medical Center, out sourcing vendor and collection agencies shall refrain from extraordinary collection actions before making reasonable efforts to determine whether a patient qualifies for financial assistance. CarolinaEast Medical Center's Financial Assistance Policy provides details.

### *Collection Remedies -*

#### *Legal Action*

Provided a patient has not agreed to reasonable payment arrangements or has not paid in accordance with a payment plan the Medical Center may file legal action. The minimum total debt must be greater than 499.99

#### *Prerequisites for filing suit -*

- Medical Center staff and collection agencies will make a reasonable effort to assure the patient was offered financial counseling/ assistance in accordance with IRS 501(r) regulations.
- Sufficient equity in a home, business or personal property.
- A review of the patient's consumer credit report to determine a patient's credit value and potential income.
- Approval by the Director of Business Affairs, Vice Presidents of Finance or designees.

#### *Liens on Property -*

In accordance with NC HB 834; CMC will comply with the following provision:

No lien arising out of a judgment for a debt owed a hospital or ambulatory surgical facility under this section shall attach to the judgment debtors' principal residence held by them as tenants by the entirety or that was held by them as tenants by the entirety prior to the death of either spouse where the tenancy terminated as a result of the death of either spouse.

For debts arising from the provision of care by a hospital or ambulatory surgical center to a minor, there shall be no execution on or otherwise forced sale of the principal residence of the custodial parent or parents for a judgment obtained for the outstanding debt until such time as the minor is either no longer residing with the custodial parent or parents or until the minor reaches the age of majority, whichever occurs first.

#### *Consumer Credit Reports -*

A derogatory public credit report maybe filed on self-pay bad debt accounts placed with an agency for balances fifteen hundred (1,500) dollars and greater provided reasonable efforts have been met regarding the patient's eligibility for financial assistance and in compliance with IRS regulation 501(r). Any consumer dispute will be handled in the appropriate manner.

Medical Center staff and collection agencies may obtain a consumer credit report or propensity to pay score when engaged in collection activities or when determining financial assistance eligibility and accordance with Fair Credit Reporting Act.

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