

WEST VIRGINIA UNIVERSITY HOSPITALS
and Ambulatory Services
POLICY AND PROCEDURE MANUAL

Policy IL013
1st Effective 2-27-15
Revised

Reviewed

BILLING AND COLLECTIONS POLICY

Our Strategic Plan, adopted in 2011, clearly sets out the WVU Healthcare mission: to improve the health of West Virginians and all we serve through excellence in patient care, research, and education. West Virginia University Hospitals, Inc is a not-for profit teaching hospital committed to providing emergency and medically necessary, high quality healthcare services regardless of our patients ability to pay.

The following Billing and Collections Policy outlines the billing process used by WVU Hospitals to collect medical bills incurred by our patients. It also outlines any *Extraordinary Collection Actions (ECAs)* that WVU Hospitals will use during the billing and collections process.

The hospital acknowledges that there are patients in our community who do not possess the ability to pay for emergent or medically necessary healthcare services. The Financial Assistance Policy (II.015) outlines the Policy and Procedures around obtaining financial assistance for these bills.

POLICY

A. Amounts Charged and Discounts

- a. The hospital will produce the same charge amounts regardless of the existence of third party insurance coverage, government insurance coverage, or no insurance coverage.
- b. *Amounts Generally Billed (AGB)*: Individuals who have no third party coverage (governmental or commercial) will be eligible for discounted care. The discount is an estimate of Amounts Generally Billed (AGB) to Commercial and Medicare payers. Detail of the discount and how this discount was calculated can be found in Exhibit III to the Financial Assistance Policy (II.015). This discount does not apply when other discounts for elective or cosmetic treatment have already been applied.
- c. Patients with third party coverage will be billed for an amount specified by the third party insurer when the claim is processed.
- d. All patients may be eligible for an additional 20% discount if the following criteria are met:
 - i. The total account balance must be paid in full (total balance less the 20% discount) within 45 days from the statement/offer date.
 - ii. This discount does not apply to co-pay amounts.
 - iii. This discount only applies to deductible and co-insurance balances.
 - iv. This discount is not applicable to elective, cosmetic or Lasik eye procedures or other package priced services.
 - v. The hospital reserves the right to exclude, at its discretion, services to which the discount is not applicable.
 - vi. The discount is not applicable if prohibited by the patient's insurance carrier.

B. Extraordinary Collection Actions (ECAs)

- a. If the patient does not pay the bill within the timelines specified below, the hospital may engage in the following *Extraordinary Collection Actions (ECAs)*:
 - i. Commence a civil action against an individual
 - ii. Place a lien on an individual's property
 - iii. Garnish an individual's wages
 - iv. Report the debt to credit reporting agencies

C. Financial Assistance

- a. WVU Hospitals will make reasonable efforts to ensure that patients who are eligible for Financial Assistance according to the Hospital's Financial Assistance Policy (II.015) have the opportunity to apply for such assistance.
- b. Information Regarding Financial Assistance will be available:
 - i. through our website: www.wvuhealthcare.com, by calling our Financial Counselors at (304) 598-6260, or by calling Patient Financial Services at 304-598-4032.
 - ii. at patient access points and upon admission and/or discharge from the facility in plain language publications
 - iii. through postings in public areas of the facility (including admission areas, waiting rooms, and emergency room)
 - iv. on billing statements and/or appointment letters
 - v. through in person and telephone conversations regarding bill payment
 - vi. other means that make the policy available to our patients and our community at large.
- c. Sufficient time will be allowed for the patient to apply for Financial Assistance through the Notification and Application Periods outlined in the Financial Assistance Policy II.015.

PROCEDURE

Patient liability billing and follow-up will be completed on all accounts in the self-pay category, insurance accounts closed for non-payment and balances after insurance. Patient liability billing and follow-up processing will be completed according to the following guidelines:

A. The Patient Billing and Collection Cycle -

a. Pre-Service

- i. The "Pre-Service" period includes the period of time prior to services being rendered to the patient.
- ii. The patient is entitled to request an estimate of projected amounts due for future planned services to be performed at the hospital. Such estimate will include out of pocket amounts after third party insurance has processed, as well as full patient estimates where no third party coverage is involved.
- iii. The patient can also apply for Financial Assistance prior to services being rendered by obtaining an application through our website at www.wvuhealthcare.com, or by contacting our Financial Counselors at 304-598-6260.

b. Pre-Billing Period

- i. The "Pre-Billing" period is the period of time after the services are rendered to the patient, but before the patient billing cycle begins. For patients with third party coverage, this would include the period of time when the insurance is processing the bill. For

uninsured patients, this would be the period between the service date and the date that the first billing cycle begins (day 0).

- ii. The patient may apply for Financial Assistance during the pre-billing period by obtaining an application through our website at www.wvuhealthcare.com, or by contacting our Financial Counselors at 304-598-6260.

c. Billing Cycle (Days 1-120)

- i. Bills will be sent to the Guarantor indicated on the patient account. The Guarantor's statement will include all patients' accounts that have him or her listed as the Guarantor.
- ii. The initial cycle date is set by our patient accounting system and will be within 30 days of the date of service for uninsured patients or within 30 days of all third party insurance account resolution for insured patients. All insurance account resolution is usually obtained within 90 days, but it can take longer in some cases.
- iii. When the first bill is sent, we will mark the account as a "Self-Pay Level 1". The patient account will remain at level 1 for 30 days.
- iv. The patient will have the option to pay their bill by mail, telephone, or online.
- v. If a patient is unable to pay the entire balance indicated on the statement, the patient can contact our patient accounting representatives at the phone number listed on the statement to obtain information about Financial Assistance, or to set up a payment arrangement according to the Payment Agreement Policy (II.011).
- vi. 21 days after the bill is sent, and if no payment is made or payment agreement established, outbound reminder calls will be placed to the phone number on file for the Guarantor. This phone number may be a traditional land line or a cellular phone number. The call may be manually dialed, or may be dialed by a computer predictive dialing system where automated messages may be left on recorded answering services if the call is not answered.
- vii. If not payment is received or payment agreement established within 30 days after the first bill is sent, the second bill will be sent to the patient. At that point, the account will be changed to "Self-Pay Level 2".
- viii. Additional outbound reminder calls will be placed to the patient at regular intervals to attempt contact regarding bill payment.
- ix. The account will continue to progress through Self-Pay Levels each 30 days as additional statements are mailed to Self-Pay Level 4 and 120 days have passed.
- x. The fourth statement will be marked as "Final Notice" and will outline the ECAs that will be utilized to collect the bill if not paid by the end of the billing cycle (day 120).
- xi. During this Billing Cycle, the patient will be notified of our financial assistance policy on billing statements, through in person and telephone conversations regarding bill payment or through our website (www.wvuhealthcare.com) or online bill pay site. This first 120 days will serve as the *Notification Period* of financial assistance. If a patient requests Financial Assistance during the billing cycle, the Financial Assistance Application Form will be provided to the patient and the patient will have 30 days to return the application prior to any ECAs being utilized.
- xii. If the guarantor does not want to receive telephone contact regarding outstanding bills, he or she needs to call the customer service phone number listed on the statement and request no collection calls. The representative will add an indicator to the account that will inform the representatives not to call the Guarantor.

d. Bad Phone Number/Bad Address

- i. In some cases, customer service representatives may have an incorrect telephone number for a Guarantor. If that happens, the account is marked “Bad Phone Number”. The hospital will attempt to locate a correct number. In the case a correct number cannot be located, the account will progress through follow up levels as indicated above and statements will continue to be sent to the address on file.
- ii. In some cases, statements sent to the Guarantor will be returned from the postal services with a bad address. If the postal service includes a forwarding address, the Guarantor address will be updated with that information. If no forwarding address is indicated, the Hospital will attempt to locate a correct address. In the case a correct address cannot be located, the account will not progress through the follow up levels as indicated above. The account will immediately proceed to section e of this policy.

e. Presumptive Financial Assistance

- i. WVU Hospitals understands that certain patients may be non-responsive to the application process outlined in WVU Hospitals’ Financial Assistance Policy (II.015). Under these circumstances, other sources of information may be utilized to make an individual assessment of financial need. This information will enable WVU Hospitals to make an informed decision on the financial need of non- responsive patients utilizing the best estimates available in the absence of information provided directly by the patient.
- ii. WVU Hospitals may utilize a third-party to conduct an electronic review of patient information to assess financial need. This review utilizes a healthcare industry-recognized model that is based on public record databases. This predictive model incorporates public record data to calculate a socio-economic and financial capacity score that includes estimates for income, assets and liquidity. The electronic technology is designed to assess each patient to the same standards and is calibrated against historical approvals for WVU Hospitals’ financial assistance under the traditional application process.
- iii. The electronic technology will be deployed prior to bad debt assignment after all other eligibility and payment sources have been exhausted. This allows WVU Hospitals to screen all patients for financial assistance prior to pursuing any extraordinary collection actions. The data returned from this electronic eligibility review will constitute adequate documentation of financial need under this policy.
- iv. When electronic enrollment is used as the basis for presumptive eligibility, the highest discount levels will be granted for eligible services. Presumptive eligibility will not be used to determine Financial Assistance Eligibility for future services, only for services currently in the billing cycle. If a patient does not qualify under the electronic enrollment process, the patient may still be considered under the traditional financial assistance application process.
- v. Patient accounts granted presumptive eligibility will be reclassified under the financial assistance policy. They will not be sent to collection, will not be subject to further collection actions, will not be notified of their qualification and will not be included in the hospital’s bad debt expense.
- vi. Services excluded from Financial Assistance will not be eligible for “Presumptive Financial Assistance”
- vii. Medicare patients will not be considered for presumptive financial assistance. Financial assistance may be granted under the traditional application process outlined in WVU Hospitals’ Financial Assistance Policy (II.015).

f. Primary Bad Debt Cycle

- i. WVU Hospitals Patient Financial Services has contracted with outside agencies to pursue debt after it has progressed through the Billing Cycle.
- ii. The appropriate outside agency will be assigned based on several criteria, including but not limited to the account balance, Guarantor name, and/or employment status.
- iii. The statements for the owed debt will be prepared and sent by the assigned agency. These bills will look different and have different verbiage than the statements sent during the Billing Cycle.
- iv. The first 60 days of the cycle, the patient will have the opportunity to notify the agency of any errors that have occurred in the bad debt assignment. No ECAs will commence in the first 60 days of the assignment.
- v. After 60 days of being assigned to the outside agency, they may utilize any or all of the following ECAs:
 - 1. Commence a civil action against an individual
 - 2. Place a lien on an individual's property
 - 3. Garnish an individual's wages
 - 4. Report the debt to credit reporting agencies
- vi. Accounts that have no payment plan arranged and not civil action, liens, or garnishments after 1 year with the agency will progress to g: Secondary Bad Debt Cycle.
- vii. Accounts that have established payment plans, civil actions, liens, or garnishments established after 1 year will remain with the Primary agency until the account is resolved or until the patient ceases making payments on a payment plan. At that time, the account will progress to g: Secondary Bad Debt Cycle.
- viii. The patient will have a time period of up to 240 days from the first post discharge billing statement to apply for Financial Assistance. If a patient requests Financial Assistance during the 240 day period, the Financial Assistance Application Form will be provided to the patient. The account will be returned to WVU Hospitals Patient financial services department where the Self-Pay Level will be set to 4. This will ensure that the patient will have 30 days to return the application and to be evaluated for Financial Assistance. If the application is not returned, the account will progress through the Self-Pay Levels as indicated in section c of this policy.

g. Secondary Bad Debt Cycle

- i. WVU Hospitals Patient Financial Services has contracted with outside agencies to pursue a Secondary Bad Debt Cycle after it has progressed through the Billing Cycle and through the Primary Bad Debt Cycle.
- ii. The statements for the owed debt will be prepared and sent by the assigned agency. These bills will look different and have different verbiage than the statements sent during the Billing Cycle or Primary Bad Debt Cycle.
- iii. The Secondary agency may utilize any or all of the following ECAs beginning on the day of assignment:
 - 1. Commence a civil action against an individual
 - 2. Place a lien on an individual's property
 - 3. Garnish an individual's wages
 - 4. Report the debt to credit reporting agencies
- iv. Accounts that have no payment plan arranged and not civil action, liens, or garnishments after 1 year with the Secondary agency will be evaluated for closure:
 - 1. Accounts with balances less than \$1,300 may be closed
 - 2. Accounts with balances of \$1,300 or greater will remain with the Secondary agency indefinitely.

- v. Accounts that have established payment plans, civil actions, liens, or garnishments established after 1 year will remain with the Secondary agency until the account is resolved or until the patient ceases making payments on a payment plan. At that time, the account will be evaluated for closure:
 1. Accounts with balances less than \$1,300 may be closed
 2. Accounts with balances of \$1,300 or greater will remain with the Secondary agency indefinitely.

B. Billing Disputes

- a. If a patient disagrees with the bill that they are receiving, they should contact the phone number on their billing statement. The representative can help them to resolve the issue.
- b. If the Customer Service Representative cannot resolve the dispute, it will be forwarded to the Supervisor/Manager/Director to resolve.
- c. All billing disputes should be resolved within 7 days.

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