

**COMMUNITY MEDICAL CENTER, INC.
BILLING AND COLLECTION POLICY**

PURPOSE:

To ensure appropriate billing and collection procedures are uniformly followed under our financial assistance policy and IRS section 501(r).

SCOPE:

This policy applies to all patient accounts of Community Medical Center, Inc.

POLICY:

This policy applies to Community Medical Center, Inc., (CMC) and its employed partners together with the CMC Financial Assistance Policy is intended to meet the requirements of applicable federal, state and local laws, including, without limitation, section 501(r) of the Internal Revenue Code of 1986, as amended, and the regulations there under. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by CMC, including but not limited to extraordinary collection actions. The guiding principles behind this policy are to treat all patients and Responsible Individual(s) equally with dignity and respect; to ensure appropriate billing and collection procedures are uniformly followed; and to ensure that reasonable efforts are made to determine whether the Responsible Individual(s) for payment of all or portion of a patient account is eligible for assistance under the FAP.

II. Definition:

Plain Language Summary means a written statement that notifies a Responsible Individual(s) that CMC offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under the section 501(r) regulations.

Application Period begins on the date care is provided to the patient and ends on the later of (i) the 240th day after the date the first post-discharge billing statement is provided to the patient OR (ii) not less than 30 days after the date CMC provides the patient the requisite final notice to commence ECAs as described in this policy.

Billing Deadline means the date after which CMC or collection agency may initiate the Extraordinary Collection Action (ECA) against the Responsible Individual(s) who has not submitted an application for financial assistance under the FAP. The Billing Deadline must be specified in a written notice to the Responsible Individual(s) provided at least 30 days prior to such deadline, but no earlier than 120 days after first post discharge statement.

Completion Deadline means the date after which CMC or collection agency may initiate and/or resume ECA against a Responsible Individual(s) who has submitted an incomplete application if that individual(s) has not provided missing information and/or documentation necessary to complete the application or denied application. The Completion deadline will be

not less than 15 business days from the date of the notice.

Extraordinary Collection Action (ECA) means any action against the Responsible Individual(s) responsible for a bill related to obtaining payment of a Self-Pay Account that requires legal or judicial process or reporting adverse information about the Responsible Individual(s) to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring a Self-Pay Account to another party for purposes of collection without use of any ECAs. ECAs that may be taken by CMC or its third party agents include reporting unpaid accounts to credit agencies, filing judicial or legal action, garnishments, and obtaining judgment liens and execute upon such judgment liens using lawful means of collection.

Financial Assistance Policy–Eligible Individual(s) means a Responsible Individual(s) eligible for financial assistance under the FAP without regard to whether the Responsible Individual(s) has applied for assistance.

Financial Assistance Policy (FAP) means CMC Financial Assistance Program for Uninsured and Underinsured patient(s) Policy, which includes eligibility criteria, the basis for calculating charges, the method of apply for policy and the measure to publicize the policy, and sets forth the financial assistance program.

Patient Accounts means the operating unit of CMC for billing and collection of Self-Pay Accounts.

Responsible Individual(s) means the patient and any other individual(s) having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual(s).

Self-Pay Account means that portion of a patient account that is the responsibility of the patient or other Responsible Individual(s), net of the application of payments made by any available healthcare insurance or other third-party payer (including co-payments, co-insurance and deductible), and net of any reduction of write off made with respect to such patient account after application of an assistance program, as applicable.

III. Procedure:

- A. Subject to compliance with the provisions of this policy and the FAP, CMC may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.
- B. CMC will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient's debt, before reasonable efforts are made to determine whether a Responsible Individual(s) is eligible for assistance under the FAP. The determination as to whether "reasonable efforts" have been made as set forth in this policy will be determined by Patient Accounts.
- C. CMC may refer a Self-Pay Account to a collection agency at any time. Such a referral is not an ECA. Collection agencies to which Self-Pay Accounts are referred will be held to the terms of this policy.
- D. All patients will be made aware of the FAP assistance program at the time of admission or registration at the facility by including a brief description of the availability of financial assistance on the consent for treatment form and by providing the patient and Responsible

Individual with a Plain Language Summary at such time.

- E. At least three separate statements for collections of Self-Pay Accounts shall be mailed to the last known address of each Responsible Individual(s); provided, however, that no additional statements need to be sent after a Responsible Individual(s) submits a complete application for financial assistance under the FAP or has paid in-full.
- F. At least 120 days shall have elapsed between the first and last of the required three mailings. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. All Patient Account statements of Self-Pay Accounts will include but are not limited to:
 - 1. An accurate summary of the services covered by the statement (including patient name, service date, type of service provided and physician)
 - 2. The charges for such services
 - 3. Any adjustments or payments received prior to statement generation
 - 4. The amount required to be paid by the Responsible Individual(s) (or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement); and
 - 5. A conspicuous written notice on the statement that notifies and informs the Responsible Individual(s) about the availability of Financial Assistance under the FAP including the telephone number of the department and direct website address where copies of the documents may be obtained.
- G. No FAP Application Submitted - A letter will be mailed to the Responsible Individual that includes written notice that informs the Responsible Individual(s) about the availability of financial assistance under the FAP and the ECAs that are intended to be taken if the Responsible Individual(s) does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline. Such letter must be provided to the Responsible Individual(s) at least 30 days before Billing Deadline and at least 120 days from the date the Hospital provided the Responsible Individual with the first post-discharge bill for care. This notice will also contain a Plain Language Summary. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving.
 - 1. A pre-final notice letter will be mailed to the guarantor on the account individually after three separate statements have been issued (barring a bad address) 90 days after the first post discharge statement and 30 days prior to intended placement of bad debt. The ECA will not be included with a statement.
 - 2. A final notice letter will be mailed to the guarantor on the account individually 10 days prior to final review for placement into bad debt.

At least 30 days prior to initiation of ECAs, an oral attempt will be made to contact the Responsible Individual(s) by telephone at the last known telephone number, if any, if the account remains unpaid. During all conversations, the patient or Responsible Individual(s) will be informed about the financial assistance that may be available under the FAP.

After the aforementioned notices have taken place and the Billing Deadline has passed as

determined by Patient Accounts, ECAs may be commenced.

H. If a Responsible Individual submits an Incomplete Application, CMC shall do the following:

1. Any ECAs taken will be suspended.
2. Patient Accounts provides the Responsible Individual(s) a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the Plain Language Summary. The notice will include the contact information of Patient Accounts and note that Patient Accounts can provide assistance with completing the financial assistance application. This notice will also provide the patient with at least 15 business days to submit the completed application.
3. If the Responsible Individual(s) who has submitted the incomplete application fails to complete the application by the Completion Deadline, the ECAs may be initiated or resumed; provided, however, that if the Responsible Individual submits the requested information during the Application Period, CMC will suspend any ECAs, treat the application as completed, and make a determination on the application.

I. Completed Application - If a complete application for financial assistance under the FAP is submitted by a Responsible Individual(s), at any time prior to the Application Deadline, CMC will suspend ECA's while such financial assistance application is pending. This will include any current accounts and bad debt accounts going back 240 days from the date of the first statement on the account.

1. If Patient Accounts determines definitively that the Responsible Individual(s) is ineligible for any financial assistance under the FAP, CMC will inform the Responsible Individual(s) in writing the denial, including reason(s) for the denial.
2. If a patient is eligible for financial assistance other than free care, CMC will:
 - a. Provide the patient with a revised bill setting forth: (i) the amount the patient owes for care provided after financial assistance, (ii) how the revised amount was determined; and (iii) either the AGB for the care provided or instructions on how the patient can obtain information regarding the AGB for the care provided;
 - b. Provide the patient with a refund for any amount the patient has paid in excess of the amount owed to CMC (unless such amount is less than \$5); and
 - c. Take reasonable measures to reverse any ECAs taken against the patient.

J. After the commencement of ECAs is permitted as described in this policy, collection agencies shall be authorized to report unpaid accounts to credit agencies, and to file judicial or legal action, garnishment, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of Patient Accounts shall be required before any ECAs may be initiated. CMC and

external 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.

IV. Policy Availability

Patients and Responsible Individual(s) may contact the CMC patient account representative at (402)-245-6542 for information regarding eligibility of programs that may be available, or to request a copy of the FAP, FAP application form, Plain Language Summary, or Billing and Collection Policy for free in the mail. Full disclosure of the FAP, FAP application form, Plain Language Summary, and Billing and Collection Policy may be found at www.cmfc.org/patients-visitors/financial-assistance/. A paper copy of our FAP, FAP application form, Plain Language Summary, and Billing and Collection Policy can be obtained at our facility located at 3307 Barada Street, Falls City, NE within the patient account representative's office, at the emergency room desk, or at the main CMC admissions desk.