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OSF[®]

HEALTHCARE

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Owner: Laurie Hurwitz: SVP Revenue Cycle
Category/Chapter: Business Operations
Areas/Depts: Organizational
Applicability: OSF All Operating Units

Self-Pay Billing & Collection

DEFINITIONS:

Application period: The period during which applications will be accepted and processed for Financial Assistance. The Application Period begins on the date the care is provided and ends on the 240th day after the date that the first post-service billing statement is provided.

Bad Debt: A Patient self-pay obligation that goes unpaid for more than 120 days after OSF has established financial responsibility and sent the first, post-discharge billing statement to the Patient, or Patient Guranator, or is not in conformance with an agreed upon payment plan.

Catastrophic Care Assistance: Financial Assistance provided to eligible Patients with annualized Family Incomes in excess of 400% of the Federal Poverty Level, and financial obligations resulting from medical services provided by OSF in excess of 25% of the Family Income.

Extraordinary Collection Action (ECA): Any action against an individual responsible for an outstanding bill for service provided by OSF that requires a legal or judicial process, or reporting adverse information about the Guarantor(s) to consumer credit reporting agencies or credit bureaus. ECAs do not include sending the Patient or Guarantor a bill, calling a Patient by telephone to make reasonable inquiries, or transferring of an account to another party for purposes of collection consistent with the requirements of 29 CFR 1.501(r)-6(b)(2) and without the use of any legal or judicial process.

Federal Poverty Level (FPL): The FPL uses income thresholds that vary by family size and composition to determine who is in poverty in the United States. It is updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of subsection (2) of Section 9902 of Title 42 of the United States Code. Current FPL guidelines can be referenced at <http://aspe.hhs.gov/POVERTY/>.

Guarantor: An individual other than the Patient who is responsible for payment of the Patient's bill.

Gross Charges: OSF full established price for medical services that is consistently and uniformly charged to all Patients before applying any contractual allowances, discounts or financial assistance.

Payment Plan: A payment plan that is agreed to by both OSF and a Patient, or Patient's Guarantor, for out-of-pocket expenses. The payment plan shall take into account the Patient's financial circumstances, the amount owed, and any prior payments.

Self-Pay Accounts or Self-Pay Financial Responsibility: Accounts that Patients, or the Patients' Guarantor(s), are obligated to pay directly to OSF. These may include balances due after insurance claims

that have been paid, amounts due from uninsured Patients, or balances due after adjustments have been made in accordance to the OSF Financial Assistance Policy.

Uninsured Patient: A Patient who is not covered in whole or in part under a policy of health insurance, including high deductible policies, and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program (including, without limitation, private health insurance, an ERISA plan, Medicare, Medicaid, or CHIP, or CHAMPUS), and whose injury, illness or treatment is not compensable for purposes of workers' compensation, automobile insurance, liability or other third party insurance, as determined by OSF based on documents and information provided by the Patient or obtained from other sources, for the payment of health care services provided by OSF.

Underinsured Patient: An individual, with private or public insurance coverage, for whom it would be a financial hardship to fully pay the expected out-of-pocket expenses for medical services provided by OSF.

PURPOSE:

In the spirit of Christ and the example of Francis of Assisi, the Mission of OSF HealthCare (hereinafter collectively referred to as "OSF") is to serve persons with the greatest care and love in a community that celebrates the gift of life.

The OSF Self-Pay Billing and Collection Policy is consistent with its mission and values. It is intended to meet the requirements of all applicable federal, state, and local laws, including without limitation, section 1.501(r) of the Internal Revenue Service Code of 1986, as amended, and the regulations thereunder, and the Federal Patient Protection and Affordable Care Act (ACA).

POLICY:

All Patients of OSF Health System and its affiliates (hereinafter, collectively referred to as "OSF") receiving healthcare services at:

OSF Sacred Heart Medical Center
OSF Saint Anthony's Health Center
OSF Saint Anthony Medical Center
OSF Saint Elizabeth Medical Center
OSF Saint Francis Hospital & Medical Group
OSF Saint Francis Medical Center
OSF Heart of Mary Medical Center
OSF Holy Family Medical Center
OSF Saint James – John W. Albrecht Medical Center
OSF Saint Joseph Medical Center
OSF Little Company of Mary Medical Center
OSF Saint Luke Medical Center
OSF Saint Mary Medical Center
OSF Saint Paul Medical Center
OSF Home Care Services
OSF Multi-Specialty Group
OSF Lifeline Ambulance

This policy pertains to charges related to healthcare services provided at OSF.

PROCESS:

In order for OSF to responsibly manage its financial resources while providing assistance to Patients with financial need, Patients will be expected to contribute to the cost of their care based on their individual ability to pay and/or the requirements of their insurance. This Self-Pay Billing and Collection Policy and the Financial Assistance Policy will be the basis for OSF's collection practices for Patient accounts. This policy describes OSF's process for resolving Patient payment obligations and informing Patients of OSF's financial assistance policy (FAP).

Pursuant to this policy, no extraordinary collection actions will be pursued against a Patient, or Patient Guarantor, before reasonable efforts have been made to determine whether the Patient or Guarantor is eligible for assistance under the OSF Financial Assistance Policy (FAP).

Patients who have received emergency or medically necessary care will be provided the opportunity to apply for financial assistance in conformance with the ACA and its implementing regulations. OSF will not discriminate on the basis of age, sex, race, religion, color, disability, sexual orientation, national origin, or immigration status when making financial assistance determinations.

OSF is committed to providing financial assistance to eligible Patients, or Patient Guarantors, who are uninsured or underinsured and for whom it would be a hardship to pay for the full cost of the care provided through OSF for eligible services. Payment will be pursued from Patients identified as having the ability to pay for service. Collection procedures outlined in this policy will be applied consistently to all Patients regardless of insurance status and will comply with applicable laws and with the mission of OSF.

OSF will communicate clearly with Patients, or Patient Guarantors, on the availability of financial assistance programs, as well as payment expectations. This communication will occur throughout the revenue cycle.

It is the policy of OSF to prohibit requiring payment for emergency medical conditions prior to the Patient having received services or permitting collection activities that could interfere with provision of emergency medical care.

All financial information obtained from Patients, or their Guarantors, will be confidential.

Validating Patient Financial Responsibility:

OSF will take reasonable steps to validate Patient payment obligations. Actions will be taken to identify third-party payers to assist Patients in resolving their bills and OSF will seek payment from all known third-party payers in order to assist Patients in resolving their bills. Timely and proper filing of third-party payer claim procedures will be pursued to ensure appropriate claim adjudication. If necessary and feasible, OSF will work with Patients to assist them in resolving insurance claim payment issues.

Resolving Patient Balances:

Once a Patient's, or Patient Guarantor's, self-pay financial responsibility has been determined, OSF will (i) inform the Patient, or the Patient's Guarantor, of the various options for resolving the balance, and (ii) offer the financial assistance policy, the financial assistance application, the plain language summary, and the self-pay billing and collection policy. If the Patient or Guarantor is unable to pay the balance due upon receipt of the initial Patient statement, they will be informed of other options available to resolve the self-pay balances, including payment plans, and/or financial assistance. Reasonable efforts will be made to inform Patients, or Patient Guarantors, of the OSF financial assistance policy and will be provided information on how to file a financial assistance application.

Statements:

OSF will send at least three separate statements for collection of self-pay accounts mailed or emailed to the last known address of each Patient or Guarantor(s). However, no additional statements will be necessary after a Guarantor submits a complete application for financial assistance under the financial assistance policy or has paid in full. It is the Guarantor(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination of reasonable effort will have been made. All self-pay statements will include, but not be limited to:

1. The charges for such services;
2. The date(s) that health care services were provided to the Patient;
3. A brief description of the services;
4. The amount required to be paid by the Patient or Guarantor;
5. OSF contact information for addressing billing inquiries;
6. A conspicuous written notice that notifies and informs the Patient or Guarantor about the availability of financial assistance under the financial assistance policy including the telephone number of the department and direct website address where copies of the documents, including the Financial Assistance Application, may be obtained;
7. At least one of the statements mailed or emailed will include written notice that informs the Patient or Guarantor of the ECAs that may be taken if the Patient or Guarantor does not apply for financial assistance under the financial assistance policy or pay the amount due by the billing deadline. A plain language summary of the financial assistance policy will accompany this statement; and
8. Notice that the Patient may obtain an itemized bill upon request

Financial Assistance:

Financial assistance information will be made widely available to Patients and members of the community served by OSF. The OSF FAP, Financial Assistance Application, and a plain language summary of the FAP will be available on OSF's system website. Paper copies of this information will be available upon request, free of charge.

Financial assistance information, including information on the OSF FAP and instructions on how to contact OSF for assistance, will be offered to Patients upon intake or discharge. Financial assistance information will also be made available, free of charge, upon the request of a Patient and will be posted conspicuously in hospital and clinic registration and admitting locations, in the hospital emergency departments, and will also be included on monthly Patient statements.

Payment Plan:

Patients, or their Guarantors, will also be provided with information on payment plans. For Patients unable to pay the balance due upon receipt, interest-free, payment plans may be extended. Arrangements for such payment plans must be made with OSF Patient Financial Service (PFS) by calling or self-service on the OSF website at <https://www.osfhealthcare.org/billing/>. If the Patient, or Patient Guarantor, does not make payment arrangements or if the Patient, or Patient Guarantor, fails to comply with payment arrangements, the account may be referred to an outside collection agency.

If an OSF Patient or Guarantor with an existing payment plan subsequently receives services at OSF and

incurs additional self-pay balances, the Patient's, or Patient Guarantor's current payment plan may be revised to account for the additional charges.

Payment plans are available to Patients, or their Guarantors, who qualify for less than 100% financial assistance, but are unable to pay the balance in full. These payment plans will be subject to the same rules applicable to Patients or Guarantors who do not qualify for any financial assistance.

Patient Duty to Notify:

Patients shall communicate to OSF any material change in the Patient's financial situation that may affect the Patient's ability to abide by the provisions of an agreed upon payment plan or qualification for financial assistance within thirty (30) days of the change.

Disputing Bills:

OSF will inform Patients of the process by which they may question or dispute bills. Disputes will be directed to OSF's PFS department by calling (800) 421-5700. The name of the department, PFS, and a toll-free phone number to which a dispute should be directed will be listed on all monthly Patient statements and collection notices sent by OSF. The PFS department will respond to queries made by Patients as promptly as possible, but no later than **two (2) business days** after the call is made, and respond to written billing inquiries within **ten (10) business days** after receiving the dispute. For a dispute requiring further investigation, all collection actions will cease until a final decision has been rendered on the disputed amount.

EXTRAORDINARY COLLECTION ACTIONS (ECA) TAKEN IN EVENT OF NON-PAYMENT

No account will be subject to ECA, within 120 days of the first Patient statement before OSF has made reasonable efforts to determine whether that Patient is eligible for financial assistance. No collection actions will be pursued against a Patient if the Patient, or Guarantor, has provided documentation showing that he or she has applied for coverage under Medicaid, or other publicly sponsored health programs, that may pay the outstanding claim and for which an eligibility determination is still pending.

Prior to sending a Patient's account to a collection agency OSF will make reasonable efforts to provide information on financial assistance and will mail a minimum of three (3) written statements to the Patient or Guarantor. Each statement will include conspicuous notice of the OSF financial assistance policy, telephone number to call for help, and direct website address. If all efforts to communicate with the Patient, or Patient Guarantor, are unsuccessful, and a correct address for undeliverable mail is not found, accounts will be sent to a collection agency.

Within 240 days from the first Patient statement, if a Patient, or Guarantor, applies for financial assistance, the application will be accepted and collection actions will cease while an eligibility determination is being made. If the applicant is approved for 100% financial assistance, no further actions will be taken to collect on the amount. If the applicant is denied financial assistance or is approved for discounted care, steps will be taken to resolve the outstanding obligation. If the account is not resolved or arrangements to resolve the account are not made, additional collection actions will be pursued.

If an individual submits an incomplete application during the application period, OSF must (i) suspend all collection actions, (ii) provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or application form that must be submitted to complete the FAP application and (iii) provide OSF's contact information. The application will remain active for 30 days from the

date the letter was mailed to the applicant requesting this information. If the applicant has not responded within the 30 day timeframe, the application will be denied. Patients may reapply for financial assistance within 240 days of the date of service if previously denied for lack of documentation.

Applicants approved for financial assistance will be refunded payments in excess of the amount determined owed by the Patient or Patient's Guarantor on accounts for which they have been granted assistance under the OSF FAP. Refunds apply to excess payments of \$5 or more. In accordance with this policy, financial assistance is generally not extended for co-payments or a balance remaining after the insurance company has paid if a Patient fails to obtain proper referrals or authorizations, or if such assistance is not in accordance with insurer's contractual agreement therefore such payments received will not be refunded.

Collection actions may be utilized by OSF when pursuing payment from Patients or Guarantors (i) with balances due that go unpaid for more than 120 days who do not apply for financial assistance, (ii) Patients or Guarantors not in conformance with an agreed upon payment plan, or (iii) Patients or Guarantors who are no longer cooperating in good faith to pay off the remaining balance.

At least 30 days before initiating one or more ECAs to obtain payment for the care provided, OSF will provide a Patient or Patient's Guarantor with a written notice that indicates financial assistance is available for eligible individuals, how an individual can apply for financial assistance, and where the FAP can be obtained. Such written notice will identify the ECAs that OSF or other authorized party intends to initiate to obtain payment for the care, and indicate the deadline after which such ECAs may be initiated. The deadline will be no earlier than thirty (30) days after the date that the written notice is provided to the Patient or Patient's Guarantor. A plain language summary of the financial assistance policy will be included with the notice. OSF will also make reasonable efforts to orally notify the individual about OSF FAP and how the Patient can obtain assistance with the FAP process.

The following is a list of ECAs OSF may initiate to obtain payment for care provided:

1. reporting to consumer credit reporting agencies
2. pursuing legal judgments
3. filing liens
4. garnishing wages to collect on outstanding balances.

Collection Agencies:

Collection agencies may be used to aid in pursuing Patient self-pay balances. Accounts will not be placed with a collection agency within the first 120 days after issuing the first Patient statement, unless Patient or Patient Guarantor is not complying with an agreed upon payment plan.

Prior to referral to an outside collection agency, each account will be reviewed to ensure that OSF has made reasonable efforts to determine whether the Patient or Patient's Guarantor is eligible for financial assistance. After this review, the account may advance to an outside collection agency. Any and all accounts referred to a collection agency will comply with the financial assistance requirements.

OSF does not permit harassing, abusive, oppressive, false, deceptive or misleading language or collections conduct by its debt collection attorneys, agencies, or their agents and employees. OSF does not permit harassing, abusive, oppressive, false, deceptive or misleading language or collections conduct by its employees responsible for collecting medical debt from Patients.

All collection agencies working on behalf of OSF will have in place a written contract that will specify that their

collection processes must conform to the policies of OSF and comply with applicable state and federal laws. Collection agencies must comply with this policy.

If the Patient or Patient Guarantor submits a FAP application after an ECA is initiated but before the end of the application period, OSF or collection agency will suspend ECAs to obtain payment for the care.

If the Patient or Patient Guarantor submits a FAP application after an ECA is initiated but before the end of the application period and is determined to be FAP-eligible for the care, OSF or collection agency will do the following in a timely manner:

1. Adhere to procedures specified in the agreement that ensure that the Patient or Patient Guarantor does not pay, and has no obligation to pay, OSF and collection agency together, more than he or she is required to pay for the care as a FAP-eligible individual.
2. If applicable and if the collection agency (rather than OSF), has the authority to do so, take all reasonably available measures to reverse any ECA taken against the Patient or Patient Guarantor .
3. If the collection agency refers or sells the debt to yet another party during the application period, the collection agency will obtain a written agreement from that other party including all of the elements described in this paragraph.

A copy of the approved OSF Self-Pay Billing and Collection and Financial Assistance Policies shall be given to every collection agency working with OSF self-pay accounts to assure compliance with both of the policies. A signed acknowledgement of the receipt of these policies and agreement to make a good faith effort to comply with the policies will be kept on file by OSF.

If a Patient, or Patient Guarantor, applies for financial assistance within the latter of 240 days from the first patient statement or 30 days after being sent the notice of collection actions to be initiated, the application will be accepted and collection actions will cease while an eligibility determination is being made. If the applicant is approved for 100% financial assistance, no further actions will be taken to collect on the account. If the applicant is approved for discounted care, or is denied financial assistance, appropriate steps must be taken by the Patient, or Guarantor, to resolve the outstanding self-pay balance or further collection actions will be pursued.

Credit Reporting:

OSF authorizes its collection agencies to report information on Patient accounts to consumer credit reporting agencies.

In certain cases, legal action may be initiated by OSF, or its collection agencies, to collect Patient self-pay balances. A collection agency may not initiate legal action for non-payment of an OSF bill against a Patient, or Patient Guarantor, or seek judgment until after the 120 day application period is over and OSF has made reasonable efforts to determine whether the Patient is eligible for financial assistance. If a legal judgment is obtained, the following actions may be initiated: wage garnishments, property liens, and liens on insurance settlements associated with the cost of services provided by OSF for which there is an outstanding balance.

OSF will be consulted prior to pursuing legal actions. All accounts will be reviewed on a case-by-case basis and will take into consideration the Patient or Patient Guarantor's circumstances. OSF will review all relevant collection activity to ensure that all attempts at voluntary collection have taken place, and the account meets the requirements for litigation.

Liens on Estates of Deceased Patients with No Surviving

Spouse:

OSF may place a lien on an estate of a deceased Patient, if that Patient has no surviving spouse.

In Illinois, the surviving spouse of a deceased Patient, with outstanding OSF bills, is assumed to be responsible for payment of those obligations provided OSF has not received a Marital Property Agreement from the Patient opting out of marital property before the care was provided.

MISSION PARTNER (MP) TRAINING

Training will be provided to MPs engaging in collection interactions. MPs responsible for collecting self-pay accounts will receive training on customer service, account negotiation/resolution and collection skills. Training will focus on the OSF Financial Assistance and Billing/Collection policies and its commitment to treat all Patients with compassion and dignity. The training will review collection scripts and other information required to effectively inform Patients of OSF policies.

MONITORING COLLECTION AGENCIES

Third party collection agencies working on behalf of OSF will be regularly monitored to assure that they are in compliance with this policy.

PUBLIC ACCESS TO POLICY

Information on the OSF Financial Assistance Policy, and the OSF Self-pay Billing and Collection Policy will be made available to Patients and the community served by OSF through a variety of sources.

ENFORCEMENT

Any abusive, harassing, misleading language or collections conduct by OSF MPs, debt collection agency staff or attorneys will be addressed through corrective action procedures.

CONFIDENTIALITY

OSF will protect the confidentiality of each Patient or Patient Guarantor, regarding financial information and the handling of personal health information.

POLICY APPROVAL

The OSF Self-pay Billing and Collection Policy has been approved by the OSF Board of Directors on the date reflected below. This policy is subject to periodic review.

REFERENCES:

AC - XX Financial Assistance Policy

29 CFR §§ 1.501(r)-4, 5, and 6

Federal Poverty Guidelines

Patient Protection and Affordable Care Act (ACA)

This policy is in effect for OSF Healthcare System, OSF Healthcare Foundation and all OSF Healthcare

System subsidiaries and affiliates, except as limited in the header or body of this policy. For purposes of this policy, the terms "subsidiaries" and "affiliates" mean facilities or entities wholly owned or wholly controlled by OSF Healthcare System. The hospitals covered by this policy are:

		Name as listed with Medicare:
X	OSF St. Mary Medical Center	ST MARY MEDICAL CENTER
X	OSF Saint Francis Medical Center	SAINT FRANCIS MEDICAL CENTER
X	OSF Saint James – John W. Albrecht Medical Center	SAINT JAMES HOSPITAL
X	OSF St. Joseph Medical Center	ST JOSEPH MEDICAL CENTER
X	OSF Saint Anthony's Health Center	OSF HEALTHCARE SYSTEM
X	OSF Saint Anthony Medical Center	SAINT ANTHONY MEDICAL CENTER
X	OSF St. Francis Hospital & Medical Group	ST FRANCIS HOSPITAL
X	OSF Holy Family Medical Center	OSF HEALTHCARE SYSTEM
X	OSF Saint Elizabeth Medical Center	Ottawa Regional Hospital & Healthcare Center
X	OSF Saint Luke Medical Center	OSF HEALTHCARE SYSTEM
X	OSF Saint Paul Medical Center	Mendota Community Hospital
X	OSF Heart of Mary Medical Center	OSF HEALTHCARE SYSTEM
X	OSF Sacred Heart Medical Center	OSF HEALTHCARE SYSTEM
X	OSF Little Company of Mary Medical Center	OSF HEALTHCARE SYSTEM

Attachments

No Attachments

Approval Signatures

Step Description	Approver	Date
Education/Communication	Laurie Hurwitz: SVP Revenue Cycle	12/22/2020
Board of Directors	Danielle McNear: Executive Assistant	12/22/2020
Executive Steering Committee	Ronda Long: Coord Clinical Policy	11/17/2020
President, OSF Healthcare	Sister Diane Marie: President-Sister	11/4/2020
SVP Revenue Cycle	Laurie Hurwitz: SVP Revenue Cycle	11/4/2020
Regulatory/Policies Council	Marci Fletcher: Resource Document Spec	11/4/2020
VP Patient Accounts	Rene Utley: VP Patient Accounts	10/28/2020
Notification	Laurie Hurwitz: SVP Revenue Cycle	10/28/2020