This policy may not be materially changed without the approval of the Board of Directors.

APPROVED BY THE BOARD OF DIRECTORS AND ALL APPROVERS ON 2/7/2017.

I. Policy Statement/Philosophy

A. It is the policy of the Carroll Hospital Center (“CHC”) to provide emergent, urgent care, and chronic care regardless of the patient’s ability to pay. CHC will operate in accordance with all federal and state requirements for the provision of healthcare services, including screening and transfer requirements under the federal Emergency Medical Treatment and Active Labor Act.

B. Every effort will be made to find a reimbursement method that is fair and equitable to the patient and Hospital. CHC will offer information regarding Maryland State Medical Assistance, CHC Financial Assistance, or time based payment arrangements to patients with unpaid or self-pay balances who do not have the resources to pay those balances.

C. This policy applies to hospital facility charges, as well as services provided by hospital based physicians and billed by Carroll Health Group. This policy applies to both Medicare and non-Medicare unpaid self-pay balances. Other professional fees (i.e. other physician charges) provided and billed independently from the Health System and are not included in this policy.

II. Purpose

This policy defines the payment options available for patients who have financial resources including insurance as well as those who do not have financial resources and lack adequate insurance (i.e. underinsured or uninsured). Further, this policy sets forth the circumstances under which self-pay accounts and accounts with unpaid balances will be referred to collections.
III. Definitions

A. **Emergent Care**: Care that is provided to a patient with an emergent medical condition and must be delivered within one to two hours of presentation to the Hospital in order to prevent harm to the patient. This includes: A medical condition manifesting itself by acute symptoms of sufficient severity (e.g. severe pain, psychiatric disturbances and/or symptoms of substance abuse, the health of a pregnant woman and/or her unborn child etc.) such that the absence of immediate medical attention could seriously jeopardize the patient’s health.

B. **Urgent Care**: Care that must be delivered within a reasonable time in order to prevent harm to the patient. This includes care that is provided to a patient with a medical condition that is not life/limb threatening or not likely to cause permanent harm, but requires prompt care and treatment, as defined by the Centers for Medicare and Medicaid Services (CMS) to occur within 12 hours.

C. **Elective Care**: Care that can be postponed without harm to the patient or that is not medically necessary. An appropriate nursing or physician representative will be contacted for consultation in determining the patient status.

D. **Medical Necessity**: Any care that meets the definition of emergent or urgent care.

IV. General Billing Procedures

A. Upon request and during normal business hours, CHC will provide to the patient a written estimate of the total charges for inpatient and outpatient hospital services, procedures and supplies, with the exclusion of emergency room services that reasonably are expected to be provided and billed to the patient by the hospital.

B. The CHC hospital website, all patient bills, and patient information sheet shall include the following information:
   1. A description of CHC’s financial assistance policy;
   2. Contact information for the individual and/or office at the hospital that is available to assist the patient, the patient’s family, or the patient’s authorized representative in order to understand:
a. The patient’s hospital bill;
b. The patient’s rights and obligations with respect to the hospital bill;
c. How to apply for the Maryland Medical Assistance Program, CHC financial assistance, Maryland Healthcare Connect, and any other programs that may help pay the bill.

3. A description of the patient’s rights and obligations regarding billing and collection practices under law.

4. An explanation that physician charges are not included in the hospital bill and are billed separately.

C. The following billing process will be applied on a consistent basis to patients with outstanding balances.

a. A summary inpatient bill will be mailed to the patient (and/or guarantor) after discharge. A detailed patient statement will be mailed to outpatients after service.

b. For insured patients, CHC will bill the insurance carrier upon assignment of benefits from the patient.

c. Insured patients with unpaid balances after insurance and self pay patients will be billed for balances due.

d. Patient statements will include communications about the collection actions CHC intends to initiate.

V. Patient Intake (Admission) Process:

A. Emergent Care Patients:

1. Any patient seeking emergent care at CHC will be treated without regard to a patient’s ability to pay for care, and in accordance with EMTALA and other federal and state requirements for the provision of healthcare services.

2. For emergency room, active labor delivery, and other medically unstable services, CHC will engage in reasonable registration processes for individuals requiring examination or treatment:

   a. Reasonable registration processes shall include asking whether an individual is insured and, if so, the name of the insurance program utilized, if such inquiry does not delay screening or treatment.

   b. Reasonable registration processes shall not unduly discourage patients from remaining for further evaluation. Therefore, discussions regarding financial issues shall be deferred until after the
patient has been screened and necessary stabilizing treatment has been initiated.

c. Following stabilizing treatment, the ED registrar will attempt to visit the patient to collect applicable payment information and determine eligibility for insurance and/or financial assistance.

B. Urgent Care Patients:
1. Patient Access staff may, prior to treatment, discuss payment arrangements and eligibility for insurance and/or financial assistance with the patient. Current and past bills will be included in the discussion.

C. Elective Care:
1. Patients receiving elective care will be asked for payment in relation to their insurance status (i.e. deductible, copay, self pay) prior to receiving care. Self pay patients will be asked to pay in full. Current and past bills will be included in the discussion.
2. The following procedures will be followed to assess the appropriate payment options:
   a. An attempt will be made to estimate the patient balance upon pre-registration. This amount will be communicated to the patient either verbally or via a Financial Responsibility Form. The patient will be instructed to forward payment in full to the Hospital or bring payment with them on the day of the procedure. Payment may be in the form of cash, check or credit card.
   b. A 50% payment will be requested if patients are unable to pay the balance in full. An appropriate interest free payment arrangement will be established for the balance. Patients with insufficient resources will be evaluated for eligibility under the hospital’s financial assistance program.
   c. Elective care may be cancelled for uncooperative patients who are not willing to make a payment or enter into payment arrangements.
   d. All services will be referred to the Vice President of Nursing or the Chief Medical Officer if a decision needs to be made on the level of care (i.e.: urgent or elective).

VI. Financial Counseling Process:
A. A Financial Counselor will attempt to visit inpatients (and/or guarantor) after stabilizing care to discuss payment arrangements. A financial counselor and/or patient accounting representative may discuss payment arrangements with
inpatients and outpatients at any time in the collection process following stabilizing care.

B. The following procedures will be utilized to assess the appropriate payment option for patients needing financial assistance:

1. The patient and/or guarantor will be asked to sign a consent accepting payment responsibility and to pay in full by check or credit card.
2. Current and past bills will be discussed as a complete financial liability.
3. An appropriate interest-free payment arrangement will be established for patients unable to pay their balance in full.
4. Patients with insufficient resources will be evaluated for eligibility from one of the following funding sources:
   a. Medical Assistance
   b. Maryland Health Connection
   c. Children's Health Fund and State Treatment Fund, or other grants as available.
   d. Best Beginnings Programs

A. Patients not eligible to receive assistance in any of the above-listed programs will be considered for eligibility in the Hospital’s Financial Assistance Program.

VII. Bad Debt Process

A. Patients with an unpaid balance, who do not qualify for financial assistance in any program or through the Hospital’s Financial Assistance Program, will be written off as bad debt and referred to a collection agency 120 days from the date of service or the date of self-pay liability. At the discretion of the Assistant Vice President, Revenue Cycle, patients who are not cooperating with patient financial services regarding the payment status may be referred earlier.

B. Patient accounts that are in a Medicaid pending status may be held in a bad debt financial assistance category until the application has been finalized. Collection activities on these accounts will not begin until Medicaid and CHC financial assistance determinations have been finalized.

C. If at any time in the course of speaking to the patient or a family member, a medical financial hardship is discovered, the Director of Patient Access will be notified to
verify and escalate the patient’s account through CHC’s Financial Assistance program.

VII. Collection Agency Process

A. Carroll Hospital Center provides active oversight to its collection agency who is contracted to collect debts on behalf of the Hospital.

B. The collection agency is expected to work with the patient to come to a financial agreement that results in payment without causing financial hardship. At the discretion of the agency based on high collectability credit scores and the level of cooperation of the patient, accounts may be recommended for legal action. Before considering litigation, the agency will have mailed multiple statements and attempted telephone contact with the patient, and screened the patient to the extent possible for financial assistance eligibility.

C. Typically patients recommended for legal action will have a credit score above 575, own property, and/or be substantially employed. Legal action can include possible judgments, wage garnishments, and liens on property.

D. The collection agency is prohibited from undertaking tactics such as charging interest, foreclosing on the patient’s home, or so called “body attachments” (i.e. Arrest or jailing of patients in default on their accounts, such as for missed court appearances).

E. The collection agency is required to abide by CHC policies, procedures, and guidelines. The agency will instruct the patient to mail any complaints directly to the Hospital.

F. The collection agency will assist all patients in the completion of CHC’s Financial Assistance application if patients express concern regarding their ability to pay the outstanding debt.

G. For at least 120 days after issuing an initial patient bill, neither CHC nor the collection agency will report adverse information about a patient to a consumer reporting agency or commence civil action against a patient for nonpayment, except under certain circumstances (e.g. active collection action already underway).

H. If CHC or the collection agency has obtained a judgment or reported any adverse information to a consumer reporting agency and the patient is subsequently found to be eligible for financial assistance, or has paid the bill in full, Carroll Hospital Center shall inform the consumer reporting agency within 60 days.

I. The collection agency and legal counsel may access patient’s credit reports available through credit reporting agencies.
J. Patients will not be charged interest, but reimbursement of legal fees may be court ordered.

K. CHC and its collection agency will follow the same collection practices for Medicare and non-Medicare patients.

M. CHC or its agency will not sell any self-pay patient debt.

V. Discontinuing Collection Efforts

If at any time during the self-pay process or the bad debt process, CHC or the contracted collection agency receives information that the patient/guarantor has filed for bankruptcy all self-pay collection activities will be ceased.

A. When CHC or the collection agency is notified by the court that the guarantor has filed for bankruptcy, all the patient’s accounts are combined and all outstanding debt is included in the bankruptcy. Collection letters and phone calls are stopped. Collection action continues for dates of service incurred after the file date. If CHC or the contracted agency is notified of a bankruptcy by the patient, this information is verified by the case number and file date through either the patient’s attorney or the bankruptcy court.

B. A notation regarding bankruptcy is made on the patient account at CHC and the collection agency so that staff know to cease collection on the account.

C. Discharge of debt: Upon completion of bankruptcy proceeding and notice of discharge, the applicable patient accounts are closed and open account balances are adjusted off.

VIII. Reference Documents

1. Carroll Hospital Center Financial Assistance Policy