MORRIS HOSPITAL & HEALTHCARE CENTERS
People You Know. Extraordinary Care.

POLICY:	BILLING AND COLLECTION PRACTICES		
OWNER:	DIRECTOR OF REVENUE CYCLE		
EFFECTIVE DATE: 1/10/2024			ORIGINAL EFFECTIVE DATE: 4/92
			HAM

I. Purpose:

Morris Hospital & Healthcare Centers (MHHC) is a not-for-profit, tax-exempt entity with a charitable mission of providing healthcare care services to residents of the City of Morris and MHHC's defined service area. The purpose of the Billing and Collection Policy is to ensure that, in connection with MHHC's efforts to bill and collect for healthcare services rendered, all patients are treated fairly and reasonably and given sufficient opportunity to apply for financial assistance (see Morris Hospital & Healthcare Centers' Financial Assistance Policy) or make other payment arrangements.

II. Overview:

This policy describes certain discounts that may be available to patients with respect to self-pay balances. This policy also sets forth the actions that MHHC may undertake in the event of non-payment of any patient balance for hospital and/or clinic healthcare services. This policy also sets forth the measures that MHHC will undertake to ensure that reasonable efforts are made to determine whether a patient is eligible for financial assistance under MHHC's Financial Assistance Policy, prior to commencing any extraordinary collection actions in an effort to collect the account.

For purposes of this policy, references to "patient" mean either the patient or their guarantor, *i.e.*, the person having financial responsibility for payment of the account balance.

III. Definitions:

A. Application Period – The period during which MHHC must accept and process an application for financial assistance pursuant to MHHC's Financial Assistance Policy. Copies of the Policy and the Financial Assistance Application are available at http://www.morrishospital.org/financialassistanceapplication.

B. Billing Statement – Any notice mailed or delivered to the patient requesting payment. The notice can be the first post-discharge Billing Statement for the care, any routine monthly Billing Statement thereafter, or a Pre-Collection Letter.

C. Debt Collection Agency – CMS Provider Reimbursement Manual (PRM) 15-1, Section 310 permits the provider's collection effort to include the use of a collection agency in addition to or in lieu of subsequent billings, follow-up letters, telephone, and personal contacts. The outside collection entities may report the account to the Credit Reporting Bureau. MHHC and the outside collection entities will follow the Fair Debt Collection Act during collection activities.

D. Extraordinary Collection Action (ECA) - The reporting of patient debt to a credit bureau or agency or any action against the patient related to obtaining payment of a Patient Balance where such action requires a legal or judicial process, including:

1. Liens against property of the patient or with respect to which the patient may have an interest, including liens against estates and liens against legal judgments, settlements, or compromises to which the patient may be entitled (except for liens that may be asserted by MHHC on the proceeds of a personal injury judgement, settlement, or compromise owed to an individual patient as a result of personal injuries for which MHHC provided care to the patient);
2. Foreclosure on real estate;
3. Attachment or seizure of bank accounts or personal property;
4. Commencing a civil action;
5. Causing arrest or a writ of body attachment; or
6. Garnishment of wages or other income.

ECAs do not include MHHC's filing of a claim in a bankruptcy proceeding.

E. Early-Out Vendor - An early-out vendor that is given the freedom to make contact with self-pay patients at an early stage of the process increases the likelihood that a patient can be informed of their financial options and start making payments on their balance.

F. Financial Service Representative – Personnel in MHHC's Patient Accounting Office who educate patients regarding MHHC's financial policies, including but not limited to the Financial Assistance Policy and the terms of the Billing and Collection Policy.

G. Notification Period – The time period during which MHHC must notify the patient about the availability of financial assistance. The Notification Period begins on the first date care is provided to the patient and ends on the 120th day after MHHC provides the first post-discharge billing statement for the care.

H. Patient Balance – Any balance on an account that is not paid by insurance, governmental payor, or other third-party payment source. Patient balances will not be subject to interest for so long as such accounts are held by Morris Hospital & Healthcare Centers.

I. Overpayments - Payment in excess of what is due. An insurance overpayment is any payment that a provider receives in excess of the amount payable for a service rendered.

J. Plain-Language Summary – The written summary of MHHC's Financial Assistance Policy, a copy of which is attached to that Policy and available at http://www.morrishospital.org/financialassistanceapplication. The Plain-Language Summary will be publicized as described in the Financial Assistance Policy.

K. Pre-Collection Letter – A Billing Statement that is mailed or delivered to the patient by MHHC before the commencement of one or more ECAs against the patient, indicating MHHC's intent to initiate one or more ECAs to obtain payment of the balance due, and including the other required content described in Section IV.H below.

L. Uninsured Discount – A 72.05% discount given to patients who have no insurance coverage or other third-party payment source for the particular healthcare services provided. The Uninsured Discount is not available for a patient who is covered by a

High-Deductible Health Plan. The Uninsured Discount is not available in cases where the patient qualifies for charity care pursuant to MHHC's Financial Assistance Policy. In cases where patient qualifies for charity care after receiving the Uninsured Discount, the amount will be reversed and applied to the Charity Discount.

IV. Policy:

A. Morris Hospital & Healthcare Centers will cause all Billing Statements to include:

1. The date or dates of healthcare services;
2. A brief description of the healthcare services rendered, with a statement that the patient may obtain an itemized bill upon request;
3. The amount required to be paid by the patient;
4. Contact information (include phone number, e-mail address, and mailing address) for MHHC's Patient Accounting Office to address billing questions or concerns; and
5. As required by MHHC's Financial Assistance Policy, a conspicuous statement regarding the availability of financial assistance, along with a phone number and website address where patient may obtain more information.

B. MHHC Financial Service Representatives shall respond to patient billing questions, concerns or disputes as promptly as reasonably possible and, in any event, not more than (i) two days after a patient's telephone call or e-mail inquiry, or (ii) 10 days after receipt of a patient's inquiry by mail.

C. All patients who have no insurance coverage or other third-party payment source for the particular healthcare services provided will automatically be granted the Uninsured Discount. The Uninsured Discount will be reversed if the patient is later determined to have health insurance or qualify for financial assistance under MHHC's Financial Assistance Policy, in which case the financial assistance discount will apply in lieu of the Uninsured Discount.

D. The first day an account balance drops to patient/guarantor responsibility, MHHC places the account with an Early-Out Vendor. They handle the account balance from day 1 through 120 days. During this time, they will send 4 statements and make telephone calls to inform the patient of his or her payment options. After 120 days, all account balances that are not meeting payment requirements are electronically reviewed for presumptive charity and then returned to MHHC.

E. With respect to each self-pay patient, MHHC will accommodate patient through the establishment of reasonable, interest-free payment plans for Patient Balances due, consistent with MHHC's Financial Assistance Policy. Payment Plans are available to patients, or their guarantors, who do not qualify for any additional assistance, but are unable to pay the balance in full. Arrangements for such a payment plan(s) must be made with a MHHC representative or authorized designee to get setup. The payment plan grid will be followed (below) and for those accounts that need longer to pay will be referred to our interest free bank loan program with Grundy Bank. If the patient or guarantor, does not make payment arrangements or if the patient or guarantor fails to comply with the payment arrangements, the account may be referred to an outside collection agency.

Balance	Min	Mid	Max
$1-$249.99	3	5	7
$250-$499.99	5	7	9
$500 - $999.99	7	9	12
$1000 $2,999.99	9	12	16
$3000 +	12	16	20

F. Subject to compliance with the provisions of this policy, MHHC may take any and all legal actions, including ECAs, to obtain payment for healthcare services provided. However, MHHC's efforts to collect amounts due from patients will not include any of the following ECAs:

1. Arrest or a writ of body attachment;
2. The filing of a lien against child support amounts owed to or for the benefit of the patient;
3. Foreclosure on a primary residence (other than a lien with respect to proceeds received upon sale of such residence); or
4. Attachment or execution upon a lien against any other assets exempt from creditors under Illinois law.

G. MHHC will not engage in any ECAs, either directly or by any debt collection agency or other representative, before reasonable efforts are made to determine whether the patient is eligible for assistance under MHHC's Financial Assistance Policy. To that end:

1. MHHC will not engage in any ECAs during the Notification Period.
2. MHHC will publicize the availability of financial assistance through the methods specified in MHHC's Financial Assistance Policy, including through:
   - **a.** Posting signs in all admission and registration areas.
   - **b.** Posting the Financial Assistance Policy, the Financial Assistance Application, and Plain-Language Summary on MHHC's website;
   - **c.** Including the Plain-Language Summary in patient registration materials and inpatient handbooks; and
   - **d.** Including the Plain-Language Summary in materials offered to each patient as part of the intake or discharge process.
3. MHHC will ensure that the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are made available in both English and any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within MHHC's primary and secondary service areas.
4. During the Notification Period, MHHC will provide each patient with at least three Billing Statements (although no further Billing Statements need be sent, once the patient submits a Financial Assistance Application), each of which includes:
   - **a.** A conspicuous statement regarding the availability of financial assistance;
   - **b.** A phone number for information about the Financial Assistance Policy and the application process; and
   - **c.** A website address where the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are available.
5. If any patient contacts MHHC for information regarding possible financial assistance, MHHC will provide such patient, at no cost, with a copy of the Financial Assistance Policy, the Financial Assistance Application, and the Plain-Language Summary. In addition, MHHC will ensure that the patient is referred to

a Financial Service Representative for further explanation and assistance as needed.

H. In the event that MHHC intends to undertake one or more ECAs, MHHC will mail or deliver to the patient a Pre-Collection Letter at least 30 days prior to commencement of the ECA(s). The Pre-Collection Letter will include all of the following:

1. A statement that MHHCs intends to initiate one or more ECAs (identifying the specific ECAs to be undertaken) to obtain payment of the balance due;
2. A date (which must be at least 30 days following the date of the Pre-Collection Letter) by which payment must be made in order to avoid the specified ECAs;
3. A conspicuous statement that financial assistance is available pursuant to MHHC's Financial Assistance Policy; and
4. A copy of the Plain-Language Summary.

Under no circumstances may a Pre-Collection Letter be mailed or delivered to a patient earlier than 30 days prior to the end of the Notification Period. During the 30-day period following the mailing or delivery of the Pre-Collection Letter, MHHC will continue to make reasonable efforts to orally notify the patient about the availability of financial assistance.

If an intended ECA covers charges for multiple episodes of care, the timeliness associated with the Notification Period (120 days) and the Application Period (240 days) will be measured with respect to the most recent episode of care at issue (specifically, from the date of the first post-discharge Billing Statement for that care).

I. After the Notification Period has expired, MHHC may commence one or more ECAs as follows:

1. If the patient has not applied for financial assistance under MHHC's Financial Assistance Policy by the last day of the Notification Period, MHHC may initiate an ECA, but only after the Pre-Collection Letter has been provided and a period of at least 30 days has elapsed thereafter.
2. If the patient has applied for financial assistance but a determination has been made that the patient does not qualify under MHHC's Financial Assistance Policy, MHHC may initiate one or more ECAs.
3. If the patient submits an incomplete Financial Assistance Application prior to the expiration of the Application Period, then ECAs may not be initiated until the following process has been completed:
   - **a.** MHHC provides the patient with a written notice that describes the additional information or documentation required in order to complete the Financial Assistance Application;
   - **b.** MHHC provides the patient with at least 30 days' prior written notice of the ECAs that MHHC may initiate against the patient if the Financial Assistance Application is not completed or payment is not made by a specified date; *provided, however,* that the deadline for completion or payment may not be set prior to the end of the Application Period;
   - **c.** If the patient then completes the Financial Assistance Application and MHHC determines definitively that the patient is ineligible for any financial assistance, MHHC will give the patient an opportunity to establish a payment plan before initiating any ECAs; and

d. If the patient fails to complete the Financial Assistance Application by the specified date provided in the written notice, MHHC may initiate one or more ECAs.

4. MHHC will not undertake one or more ECAs against any patient unless approved in writing by MHHC's Chief Financial Officer, based on the reasonable belief that the conditions for undertaking the proposed ECAs (under this policy and applicable law) have been met. Under no circumstances will MHHC engage in ECAs against patients who have clearly demonstrated that they have neither sufficient income nor assets to meet their financial obligations (whether pursuant to MHHC's Financial Assistance Policy or otherwise).
5. If a Financial Assistance Application (whether complete or incomplete) is submitted by a patient at any time during the Application Period, MHHC will suspend any ECAs underway for so long as the patient's Financial Assistance is pending

J. After the Notification Period has expired, MHHC may use external debt collection agencies to assist in the collection of patient accounts. MHHC will require each collection agency to agree in writing to adhere to the billing and collection practices set forth in the Billing and Collection Policy and to comply with applicable state and federal law. Before forwarding accounts to Debt Collection Agencies, Financial Service Representatives will screen the accounts for special circumstances, such as catastrophic illnesses, high dollar accounts or numerous accounts.

1. An account will not be sent to a Debt Collection Agency unless the patient has had a reasonable opportunity to develop an comply with a reasonable payment plan and has either failed to establish such a plan or failed to adhere to a payment plan so established.
2. An account will not be sent to a Debt Collection Agency if the patient has submitted a pending Financial Assistance Application. If the collections process is already underway, MHHC will take reasonable efforts to suspend the collections process pending a determination of the patient's eligibility for financial assistance.
3. An account will not be sent to a Debt Collection Agency if the patient has applied for coverage through a governmental payment program and that application remains pending (provided that there is a reasonable basis to believe that the patient will qualify for such coverage).
4. An account will not be sent to a Debt Collection Agency unless approved in writing by an authorized MHHC representative, based on the reasonable belief that the conditions for undertaking external collection (under this Billing and Collection Policy and applicable law) have been met.

   a. The account balances of patients who are able, but unwilling, to pay for MHHC's services are considered uncollectible bad debts; such accounts will be referred to outside agencies for collection. The account balances of patients who qualify for financial assistance under MHHC's Financial Assistance Policy, but who fail to pay the remaining (discounted) balance when due, are considered uncollectable bad debts. After these items have been completed and no contact has been made by the guarantor patient, the accounts will be turned over to bad debt as follows: accounts balance of $10.00 or greater will qualify for automatic placement with an outside collection agency. All accounts with a combined balance of $9.99 or less will qualify for automatic small balance write off.

b. Overpayments will be worked by the PFS daily and for governmental payers, MHHC will report and return overpayments within 60 days after the date on which the overpayment was identified. all other overpayments that are non-governmental, only credit balances of $10.00 or more shall be refunded.

c. CMS Provider Reimbursement Manual (PRM) 15-1, Section 310 permits the provider's collection effort to include the use of a collection agency in addition to or in lieu of subsequent billings, follow-up letters, telephone, and personal contacts. The Debt Collection Agencies may report the account to the Credit Reporting Bureau. MHHC and the outside collection entities will follow the Fair Debt Collection Act during collection activities.

d. If no activity on the account from 120 days with the Early-Out Vender + 365 days with a collection agency and the account balance(s) are less than $500, the account will be returned to MHHC and written off as "uncollectable bad debt." Those accounts that are over this threshold will remain with the debt collection agency for 48 months. If no activity after 48 months, the accounts will be returned for MHHC and written off as "uncollectable bad debt."

e. Dual Eligible Beneficiaries must have a claim submitted to Medicaid with a remittance advice indicating zero payment. Once zero pay Medicaid remit is received, balance is written off to ABDMCRMCD –BAD DEBT MCR/MCD. This adjustment is tied to the GL for uncollectable accounts and not a contractual adjustment.

K. If MHHC refers or sells patient debts to another party during the Application Period, MHHC will enter into a written agreement with such party that obligates such party to:

1. Refrain from engaging in ECAs until the Notification Period has expired and at least 30 days have passed since the Pre-Collection Letter was mailed or delivered to the patient;
2. Suspend any ECAs if the patient submits a Financial Assistance Application during the Application Period; and
3. If the patient is determined to be eligible for Financial Assistance, ensure that the patient is not asked or obligated to pay (and does not pay) more than required, and reverse and ECAs previously taken.

L. MHHC will ensure that patients' medical records do not contain notations regarding financial matters, including insurance coverage or other payment source, balances due, past or current collection actions, or other details as to account status.

V. Publication:

MHHC will provide copies of this Billing and Collection Policy without charge to the public. The Billing and Collection Policy generally will be posted, publicized, and otherwise available in the same manner as MHHC's Financial Assistance Policy. MHHC will ensure that his Billing and Collections Policy is made available in both English and

any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within MHHC's primary and secondary service areas.

VI. Guidelines for Business Organizations/Occupational Health Clients:
MHHC's Chief Financial Officer will determine what course of action to take on unpaid accounts for business organizations and occupational health clients. In connection with such determination, consideration will be given to all relevant facts and circumstances, including the business's number of accounts with unpaid balances, total dollar amount owed, days past due, contract terms, length of providing services with the business, and number of employees.

VII. Staff Information/Training:

A. MHHC will cause all employees in the Patient Accounting, Patient Registration, and Healthcare Centers to be fully versed in this Billing and Collection Policy, to have access to this Policy as well as MHHC's Financial Assistance Policy (and Financial Assistance Application and Plain-Language Summary), and to be able to direct questions to the appropriate Hospital office or representative.

B. MHHC will cause all staff members with public and patient contact to be adequately trained regarding the basic information related to this Billing and Collection Policy to the appropriate Hospital office or representative.

VIII. Title and Transfer Text
Please also include reference to the following policies: Financial Assistance Policy and Community Benefit Reporting Policy.

Linked Policies
Financial Assistance Policy
Community Benefit Reporting Policy

References:
Medicare Provider Reimbursement Manual: Chapter Three – Bad Debts, Charity, and Courtesy Allowances. Section 310. Reasonable Collection Effort

APPROVAL:

David Bzdill **Date** **Chairman of the Board of Directors**	**Michael Lawrence** **Date** **Chief Financial Officer**
Thomas J. Dohm **Date** **President & CEO**	

Availability of Discounts and Cash Pay Rates
Morris Hospital and Healthcare Centers

Insurance Status**	***Emergent or Medically Necessary***	***Elective (not emergent or medically necessary)***
Medicare or Medicaid	• Charge established M/M rates • FA available re: copays, coinsurance and deductibles • No PP • No SP • No CPR	• Assume limited or no coverage • No FA (not emergency or medically necessary) • No PP • No SP • CPR available for designated services, if statutorily excluded from coverage
Insured – In Network and Covered Service (including high-deductible health plans)	• Charge negotiated contract rates • FA available re: co-pays, coinsurance and deductibles • No PP (not self-pay) • No SP (pt is insured) • No CPR	• Charge negotiated contract rates • No FA (not emergency or medically necessary) • No PP (not self-pay) • No SP (pt is insured) • No CPR (pt is insured and a covered service)
Insured – Not a Covered Service	• FA available OR • PP available • SP available • No CPR	• No FA (not emergency or medically necessary) • PP available • SP available • CPR available for designated services (in lieu of PP and SP)
Insured – Out of Network	• Charge out-of-network rates • FA available re: co-pays, coinsurance and deductibles • No PP (not self-pay) • No SP (pt is insured) • No CPR	• Charge out-of-network rates • No FA (not emergency or medically necessary) • No PP (not self-pay) • No SP (pt is insured) • No CPR (pt is insured and a covered service)
Uninsured	• FA available OR • PP available • SP available • No CPR	• No FA (not emergency or medically necessary) • PP available • SP available • CPR available for designated services (in lieu of PP and SP)

FA = Financial Assistance
PP = Prompt Pay Discount
SP = Self Pay Discount
CPR = Cash Pay Rates Available

** *Except in rare circumstances, Morris Hospital & Healthcare Centers will not accommodate requests from insured patients (including those with HDHPs) to pay for services on a direct cash basis (without submission of a claim to the insurer). If a patient is insured, MHHC will submit a claim to the patient's insurer of record.*

** *In the case of PP or SP discount, such discounts do not apply to certain materials used in connection to healthcare center services rendered by provider (i.e. – vaccinations, allergy injections, and contraceptives)*