

Aspirus Emergency System Wide Policy COVID-19

Patient Self-Pay Collections

Approved 03.23.2020 07:30

Purpose: to demonstrate compassion and accountability during the COVID-19 Public Health Emergency.

Background: There are over 126k accounts in active self-pay, totaling over \$41m in accounts receivable. On average, \$3m is collected in self-pay payments monthly.

Recommendation: to relax current Credit and Collections Policy and Procedures to protect patient experience and brand image while being mindful of cash flow needs.

Collection Area	Current Practice	Recommended Change(s)	Implementation Need(s)
Service Authorization (Live in UP Only)	Financial Counselor places a pre-service call to patient, if patient does not establish payment arrangements or qualify for financial assistance, request to delay/defer service is made	<ul style="list-style-type: none"> No changes to process – elective procedures being cancelled, resulting in a reduction in referrals and pre-service calls being made 	<ul style="list-style-type: none"> None
Point of Service Collections (POS)	Ask and collection of patient responsibility amounts during a Pre-Registration phone encounter or a face-to-face Hospital Registration, Clinic Check-in or Financial Counseling/Cashier encounter	<ul style="list-style-type: none"> For COVID-19 related visits, do not ask or collect copay, deductible or coinsurance amounts before or at time of service 	<ul style="list-style-type: none"> Develop words that work Communication to collections staff and leaders Policy update to strike requirement for self-pay patients (see below)
Patient Statement	<p>Invoice automatically generated and sent every 28 days via mail and/or email based on patient preference</p> <p>Contains messaging to match the payment activity and action needed to resolve the balance</p>	<ul style="list-style-type: none"> Change messaging to include relevant COVID-19 information 	<ul style="list-style-type: none"> Brand Experience support to develop messaging Vendor to provide proof and update messaging upon approval
Payment Arrangements	<p>Payment in full is desired, however depending on the size of the balance extended payment plans or interest-bearing medical loan will be offered</p> <p>All reasonable attempts will be made with the patient prior to placing the amount owed with an outside collection agency</p>	<ul style="list-style-type: none"> If contacted by a patient stating they are impacted by COVID-19, the payment plan amount will first be adjusted to an amount the patient can pay or last resort place on hold with no payment for 30 days, flag to re-evaluate after 30 days Place a phone call to patients defaulting on payment plan arrangements and follow guidelines in first bullet point 	<ul style="list-style-type: none"> Develop words that work Outline changes to current workflow to place flag and make phone call – functionality already exists and able to be used Communication to Financial Counseling and Financial Care Center staff
Outside Collection Agency	After three statements are sent and one phone call made, if no payment arrangement	<ul style="list-style-type: none"> Suspend new filings, requests and/or renewals of suit 	<ul style="list-style-type: none"> None

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	established the account balance is placed in bad debt Legal actions may be taken (ie. judgements, garnishments, liens)	authorizations and wage garnishments • If contacted by a patient stating they are impacted by COVID-19, suspend collection activity for 30 days	
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If an extension of the COVID-19 Public Health Emergency does not occur after 60 days, normal self-pay collection practices will resume. In the event the COVID-19 Public Health Emergency extends beyond 60 days the recommendation will be revisited.

Temporary update needed to current policy language shown below to support the recommendation to refrain from asking and collecting self-pay responsibility amounts for COVID-19 related visits.

Current Status: *Active PolicyStat ID: 6762521*



Origination: 06/2008
Effective: 08/2019
Last Approved: 08/2019
Last Revised: 08/2019
Next Review: 08/2022
Author: *Sherry Evenson: DIRECTOR-SYSTEM FINANCIAL CLEARANCE*
Area: *Rev Cycle - Other*
References: *System Administration, System Wide*
Applicability: *Aspirus System Wide*

Credit and Collection Policy (System)

PURPOSE:

To establish guidelines for the collection of outstanding patient account self-pay balances.

AREAS AFFECTED/STAKEHOLDER(S):

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DEFINITION(S):

Extraordinary Collection Actions (ECAs): The following actions are considered Extraordinary Collection Actions: (a) reporting a Guarantor to a credit reporting agency, (b) selling a Guarantor's debt to another party, (c) placing a lien on a Guarantor's property, (d) attaching or seizing a Guarantor's bank account or any other personal property, (e) commencing a civil action against a Guarantor, (f) causing a Guarantor's arrest, (g) causing a Guarantor to be subject to a writ of body attachment, (h) garnishing a Guarantor's wages, and (i) deferring or denying, or requiring a payment before providing medically necessary care because of a Guarantor's nonpayment of one or more bills for previously provided care covered under the FAP. ECAs against a Guarantor include ECAs against any other individual who has accepted or is required to accept responsibility for the Guarantor's Account.

Guarantor: The person or groups of persons that assumes responsibility of payment for all or part of a debt owed to Aspirus.

POLICY:

I. CREDIT – INDIVIDUAL CLINIC/HOSPITAL DEPARTMENT RESPONSIBILITIES

The patient registration documents table should be reviewed at time of check-in for each patient to confirm an Aspirus Financial Assistance application has been provided or declined in the past 12 months. If an application has not been provided/declined in the past 12 months one should be offered and documented.

a. Acceptable payment arrangements for patients without insurance (Self-Pay)

i. For Aspirus Financial Assistance program recipients refer to Financial Counselor for possible extensions of Financial Aid for the visit.

~~ii. Ask for \$100.00 payment at the time of pre-registration and/or check-in. Indicate that the patient was made aware of this policy by putting a dollar (\$) sign in the appointment notes.~~

iii. If the patient has any questions regarding this policy, refer the patient to the Financial Counseling Team.

b. Patients with outstanding on account balances can be requested to make payment on their prior unpaid balance(s), which may include deductible, coinsurance or non-covered services prior to further elective/non-emergent services being given. They can also be requested to complete an Aspirus Financial Assistance application if unable to make payment prior to further non-emergent services being given.

II. COLLECTION – INDIVIDUAL CLINIC/HOSPITAL RESPONSIBILITIES

a. The following collections can occur at each site:

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- i. Co-payments, deductible, and coinsurance
- ii. Payments on account
- iii. Prepayments for non-covered or elective services:
 1. Prepayments of \$75.00 may be requested for any cosmetic consultation.
 2. This prepayment will be forfeited if the patient does not cancel the appointment prior to the day of the appointment or does not present (no show) for the scheduled appointment. If the patient presents for their appointment this \$75.00 prepayment will be credited towards the consultation fee.
- b. For those patients wanting to pay their bill, the Patient Access Representative at each clinic/hospital department is to verify the total account balance. If previous payment arrangements have not been made the Patient Access Representative can establish a payment plan, based on guidelines of this policy. The Financial Counselors are available to assist in this process.
- c. Copayments paid at the time of check-in can be refunded on the same day to the patient by check-in staff if the patient is not seen. All other refunds should be processed by the refund team.

III. COLLECTION – FINANCIAL COUNSELOR RESPONSIBILITIES

- a. Aspirus will not impose extraordinary collection actions (ECAs) as defined above. Aspirus will not send unpaid bills to outside collection agencies and will not initiate collection efforts for any patient without first making reasonable efforts to determine whether that patient is eligible for charity care under the Aspirus Financial Assistance Program.
- b. Reasonable efforts shall include:
 - i. Validating that the patient owes the unpaid bills and sources of third-party payment have been identified and billed by the hospital/clinic.
 - ii. Documentation that Aspirus has or has attempted to orally offer the patient the opportunity to apply for the Aspirus Financial Assistance Program during registration and that the patient has not complied with application requirements. Attempt made by calling at least 30 days prior to listing with outside collection agency, and to offer free assistance in completing the application.
 - iii. Documentation that the patient does not qualify for financial assistance on a presumptive basis after review of the Medicaid (MA) Portal, and in accordance with the Aspirus Financial Assistance Policy.

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- iv. Documentation that the patient has been offered a payment plan through statements sent and calls placed and/or the patient has not honored the terms of a mutually agreed upon payment plan.
- v. Provide the plain language summary and final notice letter after a minimum of three (3) statements have been sent. The letter will provide notice of deadline after which ECAs may be initiated.
- c. An account is eligible for follow-up collection efforts by a Financial Counselor when:
 - i. No payments have been received and/or a payment plan has not been established on the self-pay balance owed.
 - ii. Two statements have been sent.
 - iii. Self-pay balances under \$5.00 are written off to small balance.
- d. Accounts must first be screened for Medical Assistance eligibility before offering Aspirus Financial Assistance or payments plan options.
 - i. Aspirus Financial Assistance may be offered to the patient during multiple touch points including but not limited to scheduling, pre-registration and check-in. Before discussing payment plan options, the offer of Financial Assistance must be/have been made and documented in the patient's account.
 - ii. If the patient has declined the offer or has been found ineligible, proceed to payment plan options.
- e. Below are the three payment options available to patients in order to assist with satisfying their amounts owed. Payment in full is desired, however depending on the size of the balance extended payment plans or interest bearing medical loan will be offered. All reasonable attempts will be made with the patient prior to placing the amount owed with an outside collection agency.
 - i. Payment in Full
 - 1. If the request for payment in full is refused proceed with establishing an extended payment plan.
 - ii. Extended Payment Plan
 - 1. Every effort will be made to establish a payment plan that will meet the needs of the patient and Aspirus.
 - 2. Payment plan terms offered will be reasonable in length for the dollar amount owed and affordability for the patient and generally will not exceed 60 months however exceptions will be made on a case by case basis.

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3. The extended payment plan is non-interest bearing.

iii. Interest Bearing Medical Loan

1. Aspirus has partnered with local community financial institutions to provide a Medical Loan program to patients.

2. Loans are secured by Aspirus and require no collateral from patients.

3. Aspirus account balances are paid in full upon loan closing.

4. Default in loan payments will result in Aspirus paying off the patient loan and adding the outstanding balance back to the patient's account.

5. Monthly loan payments are determined by the original loan balance with \$50 as the minimum monthly payment.

6. All loans are subject to current Medical Loan Program interest rate as agreed to by Aspirus.

f. New Balance Roll Up

i. Automation in Epic exists to add a new self-pay balance to an existing payment plan if the new self-pay balance is 10% or less of the current payment plan balance.

ii. Based on current outstanding balance and monthly payment amount Financial Counselors have discretion to roll up new balances without discussing with patients.

iii. At patient request if monthly payment meets payment guidelines.

g. Below is a timeline of statements and potential collection agency listing. A minimum of three (3) statements will be sent prior to listing with a collection agency for hospital billed services and two (2) statements for all other services. All references to aging or due dates are from the date when the patient is sent the first statement for self-pay balances.

h. The final notice letter gives the guarantor thirty (30) days to make payment in full or account will be referred to outside collection agency. A minimum of thirty (30) calendar days must pass before an account can be forwarded to an outside collection agency. A minimum of 90 days shall pass after mailing of the 1st statement before an account will be referred to an outside collection agency unless the patient does not qualify for Aspirus Financial Assistance or presumptive ability to pay is determined to be positive. All balances for patients with Medicare will not be listed with a collection agency until after 120 days have passed from the first statement date. Each collection activity on an account will be entered in the note screen on the account.

IV. ADDITIONAL COLLECTION RESPONSIBILITIES

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a. Patient Death

- i. List of Wisconsin Probates by county is reviewed monthly for filing estate claims.
- ii. Self-pay balances are written-off if no estate or under \$50.00, the Aspirus minimum amount for filing probate claim. This only applies to those single or widowed residing in Wisconsin.
- iii. Patients residing in Michigan with self-pay balances will generally be written off to AFA due to Michigan Probate Laws.
- iv. Note will be made if probate is filed. Account remains active with balance until probate is settled. Statements should be turned off once probate is filed.
- v. Prior to filing a probate claim a phone call will be made to the estate representative, if number is available, to let them know of our intent to file claim.
- vi. If probate is not filed within 6-months from the date of death for a resident of a non-marital property state or the last surviving spouse of a marital property state, a property check should be completed. If no property is found an internal AFA should be completed to adjust balance. If property is found the account should be reviewed by management to determine if probate should be forced.

b. Patient/Guarantor Bankruptcy

- i. Bankruptcy notice may be received by multiple locations. Any sent to the local business units should be forwarded to the Corporate Revenue Cycle office in Wausau.
- ii. A notice of date filed is placed in account notes.
- iii. Revenue Cycle staff will write off self-pay amounts prior to the bankruptcy filing date. Collection agencies are notified of bankruptcy.
- iv. Proof of claim forms will be completed for all active balances by Revenue Cycle staff as appropriate.

V. OTHER POLICY AND PROCEDURE CONSIDERATIONS:

- a. Patients stating inability to pay should be offered an Aspirus Financial Assistance Program Application.
- b. There will be no discounts for early or prompt cash payment due to state statute limitations as well as insurance contract agreements.
- c. No Medicare accounts will be listed with a collection agency before 120 days after the first statement generates to the patient. That will preserve our rights to claim uncollected deductibles and coinsurance as Medicare bad debts for Part A claims not paid under a fee schedule.

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- d. Accounts being listed directly with an Attorney for collection will be held for no less than 240 days from the first statement before listing.
- e. The above policy specifies the desired payment arrangements. From time to time, exceptions will need to be made based on the patient's circumstances. It is our intention and goal to be firm and consistent, yet respectful of the patient's financial condition. In order to consider an exception to this policy, we will need a completed financial disclosure from the patient as noted for balances above \$1,000.
- f. Outside collection agencies are not permitted to use ECAs as defined above with the exception of reporting to a credit bureau and/or garnishing wages after 240 days has passed from the date of the first Aspirus statement for services listed.
- g. The Board of Directors establishes the credit and collections guidelines, reviewing and approving on an annual basis.
- h. A free copy of the policy can be requested at any time by contacting the Financial Counselors, and is made available on the Aspirus website.

VI. PATIENT RESPONSIBILITY

- a. It is the patient's obligation to provide a correct mailing address at the time of service and upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" under IRS 501(r) will have been made.

VII. STAFF TRAINING

- a. Proper onboarding of all new pre-registration, registration, and financial counselors will include training on the AFA program as well as how to have these conversations. Training will also include how to conduct conversations with patients regarding outstanding balances. This training will include scripting as well as specific timing of conversations to assure compliance with the Emergency Medical Treatment and Labor Act (EMTALA).
- b. Annual training will be provided to pre-registration, registration, and financial counselors as procedures affecting AFA and/or collection change. Training may be completed by computer based training or classroom. Documentation of staff participation will be maintained by management of staff.

REFERENCES:

- Financial Assistance Policy
- IRS 501(r)

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