

MILFORD HOSPITAL

POLICY AND PROCEDURES

CREDIT AND COLLECTIONS POLICY – updated September 30, 2016

Purpose: The primary mission of Milford Hospital is to provide the highest quality medical care to its patients at the lowest cost. An efficient and equitable system must be established that will maximize the collection of patient accounts receivable balances in order to provide the cash flow required to operate Milford Hospital effectively.

PROCEDURE:

These Collection Policies and Procedures apply to all accounts. Collection/follow-up work will be prioritized on the basis of largest balance. Any rejected third party payer accounts will be classified as self-pay until such time as further insurance is verified.

The statements and credit letters are computer generated according to the schedules outlined below. Accounts will be transferred to the appropriate billing class whenever payments or rejections are received from third party payers. Specific policies and procedures vary with classification of the account as follows:

A. **Offering Financial Assistance and assistance towards insurance enrollment**

During hospitalization, Collections Staff will attempt to visit any Inpatient who does not have insurance to assist with starting insurance enrollments steps or to make the patients aware of the Hospital's Financial Assistance offering. Social Services and Case Management staff is involved as needed to attempt to obtain coverage for uninsured patients.

B. **Non-contractual third party payer items and Self Pay Accounts:**

Follow-up on these cases will be as follows:

<u>Days after Billing</u>	<u>Procedures</u>
45	First Statement
75	Second Statement
105	Final notice sent to patient
135	Turn over to Collection Agency and/or Attorney

In addition to the above, scheduled telephone contact will be initiated.

Self-Pay Residual items, (i.e. copays, deductibles, etc.)

Residual balances after third party payment/rejection will proceed through the appropriate statements, message, letters and phone calls as follows:

- 1) The day after all third parties are satisfied (paid or rejected), a statement showing the charges, credits and payments applicable thereto and the resulting self-pay balance will be produced and mailed to the patient.
- 2) The account will advance through the non-contractual accounts cycle outlined above.
- 3) In all cases, the cycle detailed for all accounts can be interrupted by one or more of the following occurrences:
 - a) Receipt and verification of third party coverage.
 - b) Payment arrangements are agreed to and followed by the patient/guarantor.

C. General Policies

Several general policies have been established to control the activities in the collection cycle including...

- 1) Whenever possible, the Hospital will extend payment arrangement terms to the patient to settle the debt over an acceptable period of time.
- 2) Minor post insurance balances, under \$5.00, are automatically written off.
- 3) The Hospital and the Collection Agencies communicate any payments and adjustments made on accounts, referrals to attorneys for legal action, overall collection status of the account, throughout the month, thru conversations and monthly reports.

D. Collection Agencies

- 1) Upon placement at Collection Agencies, letter and statement campaigns, phone calls, credit reporting, (post 60 days from initial placement with no settlement towards the debt) and referral to legal proceedings are steps taken to obtain payment.
- 2) Accounts can be placed on hold or returned from the Collection Agencies due to proof of insurance edibility, application towards financial assistance or involvement within an investigation of patient complaint.

E. Medicare

- 1) At time of pre-registration and /or registration of patient, all registration personnel will verify the patient's Medicare coverage and confirm Medicare as the primary payer.
- 2) The Medicare MSP questionnaire will be completed via the registration program.
- 3) Patients will be notified in writing at the time of registration of Medicare covered services that will not be covered during this episode of care; lack of medical necessity will generate the issuing of an Advance Beneficiary Notice (ABN).

**MILFORD HOSPITAL
POLICY AND PROCEDURES
FINANCIAL ASSISTANCE POLICY (FAP)
Updated September 30, 2016**

Policy

Milford Hospital is committed to providing financial assistance to persons who have healthcare needs and are uninsured, underinsured, ineligible for a government program or otherwise unable to pay for emergency or other medically necessary care based on their individual financial situation. Milford Hospital will provide, without discrimination, care of emergency and other medically necessary services to individuals regardless of their ability to pay, their eligibility for financial assistance or for government assistance. This policy limits the amount the Hospital will charge for emergency or other medically necessary care provided to individuals eligible for financial assistance.

Eligibility for Financial Assistance

- A. The Hospital will consider all individuals who are uninsured, underinsured, ineligible for any government health care benefit program, and who are unable to pay for their care, based upon a determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation.
- B. Criteria for determining eligibility and the amount of financial assistance for which the patient is eligible will include family income, family size, family net worth and any other pertinent information.
- C. Presumptive Financial Assistance Eligibility may be assumed for individuals in extenuating circumstances. In some cases an individual may appear to be eligible for financial assistance, but there is no financial assistance form on file due to lack of supporting documentation. The Hospital may use information from outside agencies to estimate income amounts and determine eligibility. The Hospital may determine presumptive eligibility based on an individual's life circumstances including, but not limited to:
 - 1. State funded prescriptions programs;
 - 2. Lives in a homeless shelter;
 - 3. Food stamp eligibility;
 - 4. Subsidized school lunch program;
 - 5. Eligible for Medicaid spend-down;
 - 6. Lives in low income subsidized housing; and
 - 7. Patient is deceased with no known estate.

Basis for Discounting Hospital Charges

The basis for the amounts Milford Hospital will charge patients qualifying for financial assistance is as follows:

- A. Patients whose family income is equal to or less than 250% of the Federal Poverty Level (FPL) may qualify for up to a 100% discount off of their outstanding balance. (Please see E below.)
- B. Patients whose family income is between 250% and 400% of the FPL, in accordance with the requirements of IRS Section 501(r)(5), may have charges limited to the Amounts Generally Billed (AGB) to individuals who have insurance for such care. The amounts billed to those who qualify for financial assistance will be calculated using the “look-back” method. A free copy of the AGB calculation description and percentages may be obtained by contacting a Milford Hospital Credit Representative at 203-876-4075 or writing to 300 Seaside Avenue, Milford, CT 06460 Attn: Credit Representative. (Please see F below.)
- C. Patients whose family income exceeds 400% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on extenuating circumstances. Specific circumstances may include catastrophic illness, medical indigence or other financial hardship circumstances at the discretion of Milford Hospital. The discount will not be more than the discount received by patients who have insurance for such care.
- D. Patients who qualify for presumptive financial assistance may qualify for a 100% discount off their outstanding balance.
- E. Patients who have assets that are greater than 250% of the FPL and family income that is less than or equal to 250% of the FPL will have their charges limited to the AGB to individuals with insurance.
- F. Patients who have assets that are greater than 250% of the FPL and family income that is greater than 250% of the FPL may be denied financial assistance.

Applying for Financial Assistance

A request for financial assistance can be made before services are received and up to one year after and will be in effect for six months forward from the date of the approved application. The request may be made by or “on behalf” of an individual seeking services from our Hospital. A request for financial assistance can be made at any time during the collection process. Requests received after an account has been turned over to an external collection agency and/or attorney, will be recalled from the external party pending determination on the

patient's eligibility for assistance. Milford Hospital may request updated financial information at any time and adjust the financial assistance accordingly.

The patient must submit a completed financial assistance application along with the required documentation. Applications that are not completed and returned to the Hospital with the appropriate documentation within 30 days after the application was mailed to them will be denied. A patient may be denied financial assistance if the patient provides false information on the FAP Application.

The financial assistance application and instructions may be obtained by contacting a Milford Hospital Credit Representative at 203-876-4075 or writing to 300 Seaside Avenue, Milford, CT 06460 Attn: Credit Representative.

Billing and Collections

The Hospital will not initiate Extraordinary Collection Actions (ECAs) during the first 120 day period from the date of the first post-discharge billing statement. The Hospital will provide a written notification to individuals at least 30 days prior to initiating an ECA. The notification will include a list of ECAs that the Hospital intends to take to obtain payment and will notify the patient of the Hospital's FAP. Patients that apply for financial assistance after their account has been turned over to an external collection agency will be recalled and put on hold pending status of the financial assistance application. ECAs will not be taken on patients eligible for financial assistance, unless payment is not made within a reasonable period of time.

Communications to the Public

The Hospital will widely publicize its Financial Assistance Policy. The policy, summary and application are available upon request and without charge in public areas of the Hospital and by mail. All patients will be informed of the availability of financial assistance and offered the policy. The FAP, summary and application may be obtained by contacting a Milford Hospital Credit Representative at 203-876-4075 or writing to 300 Seaside Avenue, Milford, CT 06460 Attn: Credit Representative.

The List of Providers Covered by the Financial Assistance Policy provides a list of providers that deliver care within the Hospital and specifies which are covered by the financial assistance policy and which are not. This list is attached to this policy as Appendix A. The Executive Committee of the Board of Directors delegates authority to update Appendix A as needed to the Chief Executive Officer and the Chief Financial Officer.

MILFORD HOSPITAL
FINANCIAL ASSISTANCE POLICY
APPENDIX A: LIST OF PROVIDERS
Updated September 30, 2016

This list specifies which providers of emergency and medically necessary care delivered in the hospital facility are covered by the Financial Assistance Policy (FAP). Elective procedures and other care that is not emergency care or otherwise medically necessary are not covered by the FAP for any providers.

Providers covered by FAP	Providers not covered by FAP *
Connecticut Team Physicians PC	Cardiac Specialists
Emergency Physicians of Connecticut PC	Cardiovascular Physicians & Consultants, LLC
	Cosmetic & Reconstructive Surgery Assoc. of CT
	CT Heart Group
	CT Pulmonary Specialists PC
	Diagnostic Imaging of Milford
	Dr. Sanjay Aggarwal
	Dr. Harvey Armel
	Dr. Jay Berkowitz
	Dr. Henri Czarny
	Dr. Arvind Gupta
	Dr. Dean Har
	Dr. Nkemakonam Ikekpeazu
	Dr. Viswa Nathan
	Dr. Nitai Reigler
	Dr. Steven Saunders
	Dr. Ismail Tarkhan
	Dr. Flora Zarcu
	Eye Physicians & Surgeons, PC
	Gastroenterology Center of CT
	Integrated Anesthesia Associates, LLC
	Lung Docs of CT
	Milford Medical & Aesthetic Care
	Milford Physician Services
	Milford Vascular Institute
	Oncology Hematology Center of CT
	Oral & Maxillofacial Surgeons
	Orthopedic Health
	Plastic & Reconstructive Surgery Specialists
	Reconstructive Foot Surgeon, LLC
	Southern New England ENT
	The Orthopedic Group
	Urological Associates of Bridgeport

* Provider offices may have a separate financial assistance policy. Please contact physician offices directly for details.