Western Connecticut Health Network
Danbury Hospital · New Milford Hospital · Norwalk Hospital

# FINANCIAL ASSISTANCE POLICY

**Revised: 6/1/16**
**Effective: 6/1/16**

## I. POLICY

**A.** The Western Connecticut Health Network (the "Network") is a not for profit, tax-exempt entity committed to advancing the health and well-being of those in its communities by providing an integrated high quality and cost effective network of health care services. Consistent with this mission, the Network recognizes its obligation to the communities it serves to provide financial assistance to indigent persons within those communities. For purposes of this Policy, the Network includes Danbury Hospital, Norwalk Hospital (each referred to as "Hospital), and Western Connecticut Medical Group. Services provided by community-based providers are not covered under this Policy.

**B.** In furtherance of its charitable mission, the Network will provide (i) emergency treatment to any person requiring such care; and (ii) essential, *non-emergent* care to patients who are residents of its primary service areas who meet the conditions and criteria set forth in this Policy, without regard to the patients' ability to pay for such care. Elective procedures generally will not be considered essential, non-emergent care and will not be eligible for Financial Assistance.

**C.** The Network will regularly review this Financial Assistance Policy to ensure that at all times it: (i) reflects the philosophy and mission of the Network; (ii) explains the decision processes of who may be eligible for Financial Assistance and in what amounts; and (iii) complies with all applicable state and federal laws, rules, and regulations concerning the provision of financial assistance to indigent patients. In the event that applicable laws, rules or regulations are changed, supplemented or clarified through interpretative guidance, the Network will modify this Policy and its practices accordingly. The Network maintains a separate Financial Policy for Credit & Collections, a free copy of which can be obtained by contacting the Financial Counseling Department at (203) 739-7773 (Danbury Hospital or Western Connecticut Medical Group), (203) 730-5800 (Norwalk Hospital), or (860) 210-5433 (New Milford Hospital campus), or by accessing www.WCHN.org. The Credit & Collections Policy sets forth the actions that may be taken in the event of non-payment of amounts determined to be patient responsibility under this Policy.

## II. ELIGIBILITY AND DETERMINATION OF DISCOUNT

**A.** Eligibility: A patient will be eligible for Financial Assistance if the patient: (i) resides in the WCHN defined Primary Service Area or Secondary Service Area, (ii) has limited or no health insurance; (iii) applies for but is deemed ineligible for government medical assistance (for example, Medicare or Medicaid); (iv) cooperates with the Network in providing the requested information and financial documentation; and (v) demonstrates "financial need" based on **Exhibit 1**. In addition, a patient may be eligible for Financial Assistance in the event the Network, in its discretion, deems such eligibility appropriate under a patient's unique circumstances (including potential medical hardship). Consideration may be given to the existence of substantial medical debt, and additional documentation regarding assets and living expenses may be requested. For purposes of this Policy, the term "patient" is used with regard to the patient or the applicable payment source for the patient's care (*e.g.*, parent, guardian or other responsible party).

**B.** Financial Need: A patient will be deemed to have financial need based on the Federal Poverty Levels ("FPG") in effect from time to time. The table below sets forth the income requirements and related financial assistance discount on the charges for Network services rendered. Income includes salaries and wages, legal judgments, unemployment compensation, worker's compensation, dividends, interest checks and other recurrent sources of income.

| PATIENT INCOME | DISCOUNT |
|---|---|
| At or Below 400% of the FPG | 100% or Free Care |
| Between 401% and 450% of the FPG | 75% Discount |
| Between 451% and 500% of the FPG | 50% Discount |

**C.** Calculation of Amounts to Be Billed: In no event will a patient who is eligible for financial assistance under this Policy be charged more than the amounts generally billed ("AGB") by the Network for the emergency or medically necessary care, and for less than gross charges for all other medical care. The Network calculates its AGB using the "Look Back Method" based on commercial and Medicare rates. The net amount to be billed to a patient qualifying for financial assistance hereunder will be determined by (i) calculating the gross charges for services rendered to the patient, and (ii) applying the appropriate discount (as determined pursuant to the above and Exhibit 1). Notwithstanding the foregoing, however:

1. Pursuant to Connecticut Public Act 03-266, any Uninsured (as defined by the Act) Hospital patient whose income (alone, without regard to

available assets) falls below **250%** of the FPGs will not be charged more than the Hospital's cost of providing services to the patient.

## III. PROCEDURES AND OBLIGATIONS FOR DETERMINING ELIGIBIITY FOR FINANCIAL ASSISTANCE

**A.** All patients will be informed of the availability of financial assistance pursuant to this Policy. Patients with an anticipated or actual self-pay balance will be referred to the Network's Financial Counseling Department.

**B.** Because a patient is not eligible under this Policy until s/he has applied for and been deemed ineligible for federal and state governmental assistance programs, the Network's Financial Counseling Department will assist patients in enrolling in federal and state governmental assistance programs, including, but not limited to the Health Care Exchange Programs. Trained financial counselors and other personnel may be contacted at (203) 739-7773 (Danbury Hospital or Western Connecticut Medical Group), (203) 852-3028 (Norwalk Hospital), or (860) 210-5433 (New Milford Hospital campus) for any assistance required in completing the Application for Financial Assistance or with any other materials required by the Network under this Policy.

**C.** Although the Network will attempt to make an eligibility determination during pre-registration or prior to discharge, this may not be possible, either because the patient does not provide the necessary documentation, or the patient's circumstances change after discharge, or in other circumstances where a given patient's circumstances or needs are identified. **A patient may request consideration at any time, and the Network will evaluate a patient's eligibility under this Policy as requested, up to and including consideration during the collections and judgment phase.** Patients are encouraged to contact the Network's Financial Services Department if their circumstances change or if additional need is identified. The Network's Financial Counselors will review all information provided and relevant circumstances bearing on the need for Financial Assistance, will make a determination of eligibility, and will notify the patient of his/her financial obligations, if any, as set forth below.

**D.** Administrative Procedure

1. Network staff will immediately forward to the Hospital's financial counselors a copy of the pre-admission record for any patient who has no insurance. Financial counselors will contact the patient to schedule a financial interview as soon as is practicable but ideally before admission for a non-emergent, medically necessary service, and prior to discharge for an emergency admission. For emergency services,

the Hospital will not delay screening or treatment of an emergency medical condition pending this financial interview.

2. To determine whether a patient is eligible for Financial Assistance, the patient will be required to complete the Patient Financial Worksheet (**Exhibit 2**). The Worksheet will be made readily available to patients through methods including (without limitation) posting on the Hospital's website, distribution at the Hospitals' Patient Registration and Admissions areas and the Patient Financial Services offices, and inclusion in the informational binders provided in patient rooms.

3. Patients must return the Worksheet to the financial counselor in the self-addressed stamped envelope provided by the Network within ten (10) days. Failure to timely supply required information will result in denial of a patient's request for provision of Financial Assistance. Patients are obligated to cooperate and provide all information needed in a timely manner. The Network will make reasonable efforts to offer and provide assistance to patients in connection with the completion of the Worksheet. However, if assistance is needed in gathering necessary information or materials requested as part of the Financial Assistance qualifying process, patients are encouraged to contact one of the Networks trained financial counselors at (203) 739-7773 (Danbury Hospital), (203) 852-3028 (Norwalk Hospital), or (860) 210-5433 (New Milford Hospital campus). Financial counselors also are available to assist patients with assessing their financial situations, gathering information requested by the Network, and assisting with similar tasks.

4. As part of the financial interview process, financial counselors will request the following documentation in order to process and validate Financial Assistance applications:

| Required Supporting Documentation | Examples of Acceptable Documentation |
|---|---|
| Confirmation of Annual Income | Most Recent Federal Income Tax Return<br>Last 4 pay stubs<br>Most recent W-2 or 1099<br>Social Security Award Letter<br>Unemployment Statement<br>Workers Compensation Award Letter |
| Verification of Social Security Number and/or Date of Birth | Driver's License<br>State Issued Identification Card<br>Social Security Card<br>Birth Certificate<br>Baptismal Certificate |

| | |
|---|---|
| | Military Discharge Papers<br>School Records |
| Verification of Residency | Mortgage Statement<br>Rental Agreement/Lease<br>Tax Bill<br>Room & Board Statement<br>Utility Bill<br>Written Verification from Landlord |

**E.** Although the information above is required from patients seeking Financial Assistance, the Network in its discretion may choose not to require some or all documentation depending upon circumstances and the patient's ability to obtain documentation. The Network may rely on documentation received from credit organizations or other outside entities, including the Norwalk Community Health Center, Americares, and Good Samaritans in determining a patient's eligibility for Financial Assistance.

**F.** Patients have an obligation to provide information reasonably requested by the Network so that the Network can make a determination of a patient's eligibility for Financial Assistance. **If a patient claims s/he has no means to pay but fails to provide the information reasonably requested by the Network, there will be no Financial Assistance extended and normal collection efforts may be pursued in the Network's sole discretion.**

**G.** Eligibility and Notification Process:

1. Upon receipt of a patient's Patient Financial Worksheet, the Financial Services Department will review the patient's application to determine that it is complete, including all required documentation. If it is not complete, the application will be returned to the patient for completion. If the Network returns an application to a patient as incomplete, the financial counselor will attempt to contact that patient by telephone. If the counselor is able to reach the patient by telephone, they will offer the patient an in-person or telephonic interview to determine such patient's eligibility for Financial Assistance. If the Network is unable to reach the patient by telephone, or if there is no listed telephone number available, the financial counselor will send a letter to the patient that details what is needed and that explains to the patient that it is his/her responsibility to contact the Network's Financial Counseling Department within ten (10) days of receiving the letter. The Network's trained financial counselors will offer to meet with the patient to assist him/her in completing the

application so that the Hospital has all of the necessary information to make a determination of the patient's eligibility for Financial Assistance.

2. The Financial Services Department will complete the Financial Assistance Eligibility Determination Form attached as **Exhibit 3**, and will determine the amount the patient owes, if any. The Financial Services Department will inform the patient of his/her eligibility for Financial Assistance, and the amount of such Financial Assistance, within ten (10) business days of the determination.

3. A determination of eligibility under this Policy will be effective for one (1) year. At the end of such time period, patients continuing to require essential medical services will be expected to re-apply or update their prior applications, in order to permit the Network to make a new determination regarding the patient's continuing eligibility for Financial Assistance.

## IV. COMMUNICATION

The Network will communicate the availability of Financial Assistance to its patients and the general public through measures that include providing or posting copies of this Policy, summaries thereof (if more conducive to patient understanding), appropriate signage and/or brochures on the Network's website; In the Hospitals' Emergency Departments; In the Patient Registration and Admissions areas; In the Patient Financial Services Departments; In other waiting areas throughout the Hospitals' premises (as may be reasonably workable and appropriate); In patient informational binders included in patient rooms; and in bills and statements sent to patients.

Pertinent materials will be provided in English, Portuguese, and Spanish, which are the languages appropriate to the communities served by the Network. Other languages will be added as necessary in the event of changes to the Network's patient population. All such materials will include pertinent contact telephone numbers and/or e-mail addresses to permit patients appropriate resources for completion of the Worksheet and answers to any other questions they may have about the Network's Financial Assistance Program.

## V. DOCUMENTATION AND RECORDKEEPING

A. The Financial Counseling Department will maintain all documentation of Financial Assistance within the Hospital's Financial Assistance file. The Financial Assistance file will include a cumulative total of Financial Assistance cases, together with supportive documentation. Supportive documentation will include, at a minimum, the following: (i) The number of applicants for free and reduced cost services; (ii) The number of approved applicants; (iii) The total and average charges and costs of the

amount of free and reduced cost care provided; (iv) Any other information required by, or necessarily to permit complete and accurate reporting under, applicable federal and state laws (including without limitation CT Public Act 03-266).

**B.** The Director of Revenue Cycle will review the status of the Financial Assistance program with the Chief Executive Officer, or his/her designee, on a regular basis. The Chief Executive Officer or his/her designee will be responsible for presenting this Financial Assistance Policy to the Board of Directors at least annually. Such presentation will include a detailed statement on what the Network's policy is on Financial Assistance, the impact of this Financial Assistance Policy on Network operations and the level of need and benefits being conferred to the community under the Network's Financial Assistance program.

**C.** Information about the amount of Financial Assistance extended will be provided in accordance with federal and state laws and regulations on reporting information under the Network's Financial Assistance Policy.

## APPENDIX I

### Presumptive Financial Assistance Eligibility

There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file and there is a lack of corresponding supporting documentation. However, there is often adequate information provided by the patient or through external sources which could provide sufficient evidence to offer the patient charity care assistance. In the event there is no concrete evidence to support a patient's eligibility for charity care, Western Connecticut Health Network may use outside sources in determining charity care eligibility *presumptively*. Once determined, due to the inherent nature of the presumptive circumstances, the discount that will be granted is a 100% write off of the account balance. Presumptive eligibility may be determined on the basis of individual life circumstances including:

(1) Homeless or received care from a homeless clinic
(2) Deceased with no spouse and no estate
(3) Approved by the court for Bankruptcy

**EXHIBIT 1**

## FINANCIAL ASSISTANCE ELIGIBILITY GUIDELINES

### Based on 2016 Federal Poverty Guidelines

| Family Size | Federal Poverty Guidelines (2016) | 250% - 400 % (or Below) Poverty Guidelines *(100% write-off)* | 401% - 450% Poverty Guidelines *(75% write-off)* | 451% to 500% Poverty Guidelines *(50% write-off)* |
|---|---|---|---|---|
| 1 | $11,880 | $29,700 to $47,520 | $47,521 to $53,460 | $53,461 to $59,400 |
| 2 | $16,020 | $40,050 to $64,080 | $64,081 to $72,090 | $72,091 to $80,100 |
| 3 | $20,160 | $50,400 to $80,640 | $80,641 to $90,720 | $90,721 to $100,800 |
| 4 | $24,300 | $60,750 to $97,200 | $97,201 to $109,350 | $109,351 to $121,500 |
| 5 | $28,440 | $71,100 to $113,760 | $113,761 to $127,845 | $127,846 to $142,200 |
| 6 | $32,580 | $81,450 to $130,320 | $130,321 to $146,610 | $146,610 to $162,900 |
| 7 | $36,730 | $91,825 to $146,920 | $146,921 to $165,285 | $165,286 to $183,650 |
| 8 | $40,890 | $102,225 to $163,560 | $163,561 to $184,005 | $184,006 to $204,450 |

**** For *family* units with more than 8 members, add $4,160.00 for each additional member.**

**Note: This Exhibit shall be updated from time to time to reflect the most current FPGs issued by the U.S. Department of Health and Human Services.**

**EXHIBIT 2**

## PATIENT/PAYMENT SOURCE FINANCIAL WORKSHEET

Patient Name:_____ Account Number:_____
Household Size:_____

1A Calculation of Available Income
Monthly Salary/Pension _____ x 12 _____
Monthly SSI/VA _____ x 12 _____
Income Total _____ x 12 _____ (AA)

1B Calculation of Monthly Expenses
Rent _____
Electric _____
Gas _____
Telephone _____
Water _____
Car Payments _____
Credit Cards _____
Insurance _____
Other _____ _____
Food ($100.00 x dependents) _____
Monthly Expense Total _____
Expense Total _____ x 12 _____ (BB)

1C Eligible Income for Hospital Bills _____ (CC)
(AA – BB) (if less then 0, enter 1)

1D Estimate Hospital Billing to Patient _____ (DD)

1E Identification of Liquid Assets
Bank Accounts _____
Bonds _____
Stocks _____
CD's _____
Mutual Funds _____
Liquid Asset Total _____ (EE)

1F Total Patient Due Minus Liquid Assets (DD- EE) _____ (FF)

1G Eligible Income Minus Patient Due (CC-FF) _____ (GG)
Note: If GG is a negative number, then patient will have no financial responsibility.

_____ I attest that the above information is correct.

_____ I attest that the Patient/Payment Source is unemployed and cannot provide employment documentation.

_____ _____
Signature of Patient/Payment Source Date

**EXHIBIT 3**

**FINANCIAL ASSISTANCE ELIGIBILITY DETERMINATION FORM**

Date: _____

Western Connecticut Health Network has conducted an eligibility determination for Financial Assistance for:
Name: _____

Medical Record Number: _____

Based on the information supplied by the patient or on behalf of the patient, the following determination has been made.

_____ Your request for Financial Assistance has been denied because your income exceeds the threshold set forth in Western Connecticut Health Network's Financial Assistance Guidelines.

_____ Your request for Financial Assistance has been approved for services rendered on _____. The entire balance will be treated as free care.

_____ Your request for Financial Assistance has been approved in accordance with the criteria under P.A. 03-266 for services rendered on _____. You will receive a new billing(s) indicating your new reduced balance.

_____ You qualify for a discount on charges consistent with the Network's sliding scale. Please contact the phone number on your new adjusted bill for a payment plan on the balance (if needed).

_____ Your request has been denied for the following reason:

_____

_____

_____ Other (please described in detail):

_____

_____

If you have questions about this determination, please contact:

_____at (203) _____, extension _____.

## Revenue Cycle Support Services Pre-Collection (Day-1) Service Agreement

This agreement is made and entered into as of this 15th day of February 2016, by and between Credit Center, LLC d/b/a Patient Assistance Corp, a Connecticut limited liability company located at 7 Finance Drive Danbury, Connecticut 06810 (hereinafter referred to as "PAC"), and Western Connecticut Health Network and its affiliates Danbury and New Milford Hospitals, Norwalk Hospital and Western Connecticut Medical Group, with an office address of 24 Hospital Avenue, Danbury, CT 06810 (collectively hereinafter referred to as "WCHN").

Whereas, there are certain patient accounts with balances due to WCHN for which patients are either fully financially responsible or there remains a balance due after application of insurance payments (the "Self-Pay Accounts"), and

Whereas, WCHN wishes to engage PAC, and PAC desires to accept responsibility, for collection of the amounts due on Self-Pay Accounts and employ its best efforts to collect them;

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and other valuable consideration, WCHN and PAC (each a "Party" and together the "Parties") agree as follows:

1. **Revenue Cycle Support Services Pre-Collection Activities:**

   A. All Self-Pay accounts from Danbury and New Milford Hospitals, Norwalk Hospital, and Western Connecticut Medical Group (the "Account or Accounts") shall be referred to PAC on the first business day after the patient or guarantor becomes responsible for payment of the Account; provided that (i) for Accounts with a balance of $5,000 or more, WCHN reserves the right, in its discretion, to refer the Account to an attorney of its choice instead of to PAC (the "Attorney Referral Accounts") and (ii) WCHN may require that an Account be put on hold at any time for risk management or other reasons. PAC will manage pre-collection activities on all referred Accounts and attempt collection thereof for up to 120 days by the use of reasonable means that are in accordance with the terms and conditions of this agreement and the timelines stated in Exhibit A to this agreement.

   B. PAC's services will include:

      a. Capturing insurance information for WCHN to process and bill;

      b. Identifying and notifying WCHN of registration and billing errors;

      c. Providing feedback to WCHN regarding registration and billing practices in order to constantly improve the best practices of the front end of the revenue cycle;

      d. Skip-tracing all bad addresses and telephone numbers via CCI vendors and report findings;

      e. Handling all inbound patient calls with extended hours;

f. Providing the WCHN Financial Assistance Policy to patients and assisting patients with the Financial Assistance process;

g. Working closely with the WCHN IT department to assure that the connectivity is strong and that all PAC data is secure, backed up and accessible at all times to the Parties.

C. WCHN will ordinarily refer Accounts that PAC has not succeeded in collecting within 120 days to PAC's affiliate, Credit Center, LLC ("CCI") under a separate agreement between WCHN and CCI, provided that WCHN may require PAC to retain and continue to collect an Account beyond 120 days if warranted, in WCHN's reasonable judgment.

2. Account Payments and Adjustments

A. PAC will receive payments on Accounts on behalf of WCHN, and is authorized to endorse checks made payable to WCHN. PAC will deposit all cash and checks within one (1) business days after receipt in a bank account maintained by PAC that contains only funds collected for WCHN, and from which no withdrawals are made, other than to remit funds to WCHN and to pay earned commissions to PAC, without WCHN's consent. In the case of credit card payments, PAC will direct patients, guarantors, or other payers to make payments through WCHN's Retriever portal. All amounts received by either of the Parties in connection with the Accounts are referred to herein as the "Collections."

B. WCHN agrees to report to PAC electronically on a daily basis (i) all payments received by WCHN and adjustments to the Accounts made by WCHN, (ii) any financial assistance approvals and denials, disputes, or bankruptcy notices on the Accounts of which WCHN becomes aware , and (iii)any communications from the debtor and/or any third party to WCHN on the Accounts. PAC will post all payments electronically and then remit the 835 file electronically to WCHN every week.

C. WCHN agrees to grant PAC access to the WCHN billing system through a secure portal to facilitate PAC's performance of its services and to limit the clerical work for WCHN employees.

D. PAC will have the right to agree to installment payments, reduced or adjusted payments, or other reasonable payment arrangements, provided that no Account will be reduced by more than twenty percent (20%) of the Account balance at the time of referral without WCHN's approval.

E. PAC agrees to report and pay WCHN, on a weekly basis, the Net Proceeds (hereinafter defined) of all sums received by it on the Accounts. Net Proceeds shall mean the amounts received by PAC for the Accounts less the fees due PAC pursuant to section 5 hereof, which PAC will transfer to its own account at the same time as it pays WCHN. In the event that the fees due to PAC exceed the amounts received by PAC for the Accounts, WCHN will pay the balance due PAC within fifteen (15) days and any amounts remaining unpaid may be deducted by PAC from future payments due WCHN hereunder.

F. PAC will provide weekly performance reports that list each patient, each payment, the source of payment, and the status of the Account (including whether the Account is being referred for legal action). PAC will also furnish to WCHN, at WCHN's request, complete copies of bank statements for the bank account maintained by PAC pursuant to Section 2.A above.

3. Compliance

A. In its activities under this agreement PAC will comply in all respects with WCHN's credit, collection, and financial policies and procedures (provided that WCHN provides them to CCI in writing), and with all applicable laws and regulations, including but not limited to the Connecticut Collection Agency Rules and Regulations, the Health Insurance Portability and Accountability Act (HIPAA), the Fair Debt Collections Practices Act (FDCPA), the Fair Credit Reporting Act (FCRA), the Consumer Financial Protection Bureau (CFPB) and the Regulations for Charitable Hospitals 501(r) regulations. PAC shall provide notice to WCHN when individuals who have access to the secure portal are no longer assigned to the WCHN account.

Without limiting the generality of the foregoing, PAC will document all policies and procedures, and maintain notices, patient correspondence, and other records and reports necessary or appropriate for compliance with 501(r) regulations, and report back to WCHN electronically in order to update WCHN billing system any info requested.

B. In addition, the Compliance Addendum attached hereto as Addendum A is incorporated into this Agreement as if set out in full. In the Compliance Addendum "Vendor" will mean PAC. In the event any provision of this Agreement or any of its exhibits or attachments is inconsistent with a provision of the Compliance Addendum, the Compliance Addendum will prevail.

4. Term and Termination

A. This agreement shall commence on October 1, 2016 with respect to Danbury Hospital only, and on October 1, 2017 with respect to New Milford Hospitals, Norwalk Hospital and Western Connecticut Medical Group. This agreement will and remain in effect until ~~sixty (60) months following the full implementation of the Cerner/Soarian billing system for WCHN~~September 30, 2021, unless extended thereafter by the written consent of both parties or terminated earlier as provided below.

Comment [WDS1]: The new billing system is expected to be implemented by October 1, 2017, but the agreement starts for the other three sites regardless of when it is implemented.

B. In the event of material breach of this agreement by either party, the other party may terminate this agreement on thirty (30) days' written notice (or such longer period of notice as the non-breaching party specifies in the notice), provided that if the breaching party cures the breach to the reasonable satisfaction of the non-breaching party within such notice period, the termination will be void and the Agreement will continue in effect. Notwithstanding the foregoing, if the breach involves CCI's material failure to comply with any applicable law, WCHN may terminate this agreement on ten (10) business days' written notice, and in such event CCI will not have the right to cure the breach.

C. WCHN may terminate this agreement on thirty (30) days' written notice to PAC if, in any 12-month period (October 1-September 30) beginning on October 1, 2017, Collections on the Accounts (not including Attorney Referral Accounts) ~~in any 12-month period following the full implementation of the Cerner/Soarian billing system for WCHN~~fail to exceed Fifty Million Dollars ($50,000,000).

D. Upon termination of this Agreement under Section 4.B or 4.C, WCHN shall have the right, but not the obligation, to require PAC to continue its efforts to collect some or all previously-referred Accounts on the same terms and conditions as are provided in this Agreement.

5. Fees:

WCHN shall pay PAC a contingent fee equal to 5.5% of Collections on all Accounts, excluding Attorney Referral Accounts, during the period of this agreement. Said fee shall be earned upon receipt of the Collections and shall be payable as provided in Section 2.E above

6. Miscellaneous:

A. Waiver of Breach. The waiver of a breach of any provision of this agreement by either WCHN or PAC shall not operate or be construed as a waiver of any subsequent breach.

B. Modification and Amendment. This agreement contains the entire agreement between the parties hereto and supersedes all prior representations of the parties, whether written or oral. Unless specifically provided otherwise in this agreement, this agreement shall not be modified or amended except by an instrument in writing signed by both parties.

C. Governing Law and Interpretation. This agreement shall be governed by, construed and enforced in accordance with the laws of the State of Connecticut.

D. Forwarding Notice. PAC agrees that upon receipt of any and all notices, letters, information and/or other material that might affect WCHN, including without limitation, notice of any claim, suit, investigation or governmental inquiry involving the A/R management and Billing Services, it shall immediately forward them to WCHN.

E. Independent Contractors. WCHN and PAC are and shall continue to be independent contractors under this agreement. Neither party shall be liable for acts or omissions of the other. Nothing in this agreement shall be interpreted or construed as creating or establishing the relationship of partners, joint ventures or principal and agent (except as expressly set forth herein) between or among the Parties.

F. Attorney Fees and Binding Effect. In the event of any litigation regarding this agreement, the prevailing party in said litigation shall be entitled to recover attorney's fees and costs in addition to any other damages awarded by a court of competent jurisdiction. This agreement shall be binding upon the Parties, their successors and assigns.

G. Assignment. No party may assign this Agreement without written consent of the other,

except that WCHN may assign this Agreement to any entity that is owned or controlled, directly or indirectly, by WCHN. Any assignment made without such consent shall be void.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have set their hands.

| | |
|---|---|
| By _____ | By _____ |
| Title _____ | Title _____ |
| Date _____ | Date _____ |

**Exhibit A**

**Billing and Collection Timeline**

**Preliminary Billing & Customer Service:**

| | |
|---|---|
| Day 1 | First Patient Statement (on WCHN letterhead) |
| Day 30 | Second Patient Statement (on WCHN letterhead) |
| Day 7-60 | Weekly attempted contact utilizing both dialer with right party connects and professional billers |
| Day 60 | Third Patient Statement (on PAC letterhead) |
| Day 60-150 | Weekly attempted contact utilizing both dialer with right party connects and professional billers |
| Day 90 | Final Patient Statement (on PAC letterhead) |
| Day 120 | Turn over from PAC to CCI - first collection notice w validation notice (on CCI letterhead) |

Western Connecticut Health Network

Danbury Hospital · New Milford Hospital · Norwalk Hospital

# WESTERN CONNECTICUT HEALTH NETWORK
# FINANCIAL POLICY
# CREDIT AND COLLECTION

## I GENERAL

To insure adequate reimbursement to meet operating needs, WCHN (the network) requires payment or proof of the ability to pay at or before the time of service. Consistent with its mission, however, the network will not deny necessary care because of a lack of financial information or financial resources. The network may delay or deny elective care if financial resources are not properly identified.

In general, it is the network's policy that accounts not paid within ninety (90) days will be reviewed for appropriate collection action. No later than sixty (60) days after review, accounts deemed uncollectible will be written-off.

## II ASSIGNMENT OF BENEFITS

Medicare - with proper identification, the network will accept Medicare assignment for covered services. Deductibles and co-pays are due in accordance with federal regulations. Non-covered services, with proper notification, are payable at the time of service or billing. The network recognizes its responsibility to provide notice of non-coverage.

Blue Cross - with proper identification, the network will accept Blue Cross assignment for covered services. Deductibles and co-pays are due in accordance with the Blue Cross agreement force. Non-covered services, with proper notification, are payable at the time of service or billing. The network recognizes its responsibility to provide notice of non-coverage.

Medicaid - with proper identification, the network will accept Medicaid assignment for covered services.

Other third-party coverage - with proper identification, the network will, as a courtesy, bill other non-contracted third-party payors. Since there is no contractual relationship between the network and these payors, the network considers the patient or guarantor ultimately responsible for payment. Further, the network will wait a maximum of sixty (60) days from initial billing for third-party payment at which time any outstanding balance immediately becomes a patient responsibility. After one hundred and twenty (120) days all outstanding balances become immediately due. The network may, at its discretion, wait another thirty (30) days if the patient and/or third-party payor shows a good faith effort to expedite payment. Third-parties regulated by federal or state statutes are excluded from these requirements.

Self-pay obligations - as noted above, the network will not deny necessary care because of a lack of financial resources. Self-pay obligations are, however, payable at the time of service or billing. The network will assist third-party coverage. Additionally, the network will provide a credit review to determine if financial assistance and/or extended credit terms are warranted.

## III CREDIT

The network will maintain credit and financial counseling departments, with appropriate policies and procedures, to assess patients' ability to pay. This department is responsible for verification of third-party coverage, credit analysis, determining self-pay obligations and administering financial assistance programs.

## IV COLLECTION

The network will maintain a properly staffed collection department, with appropriate policies and procedures, to follow-up with the collection of aged self-pay and other third-party receivables. This department will also be responsible for recommending account write-offs, referrals to outside collection agencies and, when appropriate, collection litigation after consultation with network legal counsel.

## V NOTIFICATION

Inpatient and One Day Surgical Admissions - the patient, admitting physician, chief of service and the operating room (if necessary) will be notified as soon as possible of any admission delayed or denied for financial reasons.

Outpatient - the patient, the department requested to provide service, and the referring physician will be notified as soon as possible of any treatment or services delayed or denied for financial reasons.

Issues regarding determination of medical need will be resolved between the attending (referring) physician and the chief of service.