



## ADMINISTRATIVE POLICY

**CATEGORY:** ADMINISTRATION **POLICY:** AD-170

**TITLE:** BILLING AND COLLECTION POLICY **INITIATED:** 6/16

### REVISED:

Thorek Memorial Hospital (TMH) will not engage in any extraordinary collection actions (ECAs) (as defined herein) against an individual to obtain payment for care before reasonable efforts have been made to determine whether the individual is eligible for assistance for the care under its Financial Assistance Policy. To that end, all self-pay balances will be billed and collected using the following guidelines.

### Definitions

AGB – Amounts generally billed for emergency or other medically necessary care to individuals who have insurance coverage.

Application Period – The period during which TMH must accept and process an application for financial assistance under its Financial Assistance Policy (FAP) submitted by an individual in order to have made reasonable efforts to determine whether the individual is eligible for financial assistance under the policy. The Application Period begins on the date the care is provided and ends on the latter of the 240<sup>th</sup> day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after TMH provides the individual with a written notice that sets a deadline after which ECAs may be initiated.

ECAs – A list of collection activities as defined by the Internal Revenue Service and the U.S. Treasury that healthcare organizations may only take against an individual to obtain payment for care *after* reasonable efforts have been made to determine whether the individual is eligible for financial assistance. These actions include legal/judicial actions and reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.

FAP – TMH's Financial Assistance Policy.

FAP-Eligible Individual – An individual eligible for financial assistance under TMH's Financial Assistance Policy.

TMH – Thorek Memorial Hospital.



## Policy

Patients have an obligation to pay for the services they receive. Similarly, TMH has a duty to seek collections from patients who are able to pay. Hospitals are required to establish consistent collection practices regardless of payer, so the undiscounted portions of account balances for uninsured patients will be subject to TMH's collection guidelines. This includes the use of external collection agencies if internal collection efforts are unsuccessful.

All accounts recommended for collection agency transfer, which are greater than \$10,000 after discounts, will be reviewed individually with Administration for extenuating circumstances that in management's judgment would prohibit the patient from paying.

## ECAs

1. TMH will not engage in ECAs before making reasonable efforts to determine whether a patient is eligible for assistance under TMH's FAP.
2. ECAs include:
  - Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus;
  - Actions requiring a legal or judicial process, such as commencing a civil action against an individual and placing a lien on an individual's property.

## Determining Financial Assistance Eligibility Prior to ECAs

1. TMH will make reasonable efforts to determine whether individuals are eligible for financial assistance. To that end, TMH will notify individuals about the FAP before initiating any ECAs to obtain payment for the care and refrain from initiating such ECAs for at least 120 days from the date TMH provides the first post-discharge billing statement for the care.
2. TMH will take the following actions at least 30 days before first initiating one or more of the above ECAs to obtain payment for care:
  - a. Provide the individual with a written notice that indicates financial assistance is available for eligible individuals, identify the ECAs that TMH (or other authorized party) intends to initiate to obtain payment for the care, and state a deadline after which such ECAs may be initiated that is no earlier than 30 days after the date that the written notice is provided.



- b. Provide the individual with a plain language summary of the FAP with the written notice described above.
  - c. Make a reasonable effort to orally notify the individual about TMH's FAP and about how the individual may obtain assistance with the FAP application process.
3. If TMH aggregates an individual's outstanding bills for multiple episodes of care before initiating one or more ECAs to obtain payment for those bills, it will refrain from initiating the ECAs until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation.

### Processing FAP Applications

TMH will process FAP applications in accordance with the provisions set forth below.

1. Submission of Complete FAP Application:
  - a. If an individual submits a complete FAP application during the Application Period, TMH will—
    - i. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
    - ii. Make a determination as to whether the individual is FAP-eligible and notify the individual in writing of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination;
    - iii. If TMH determines the individual is FAP-eligible, TMH will—
      - Provide the individual with a statement that indicates the amount the individual owes for the care as a FAP-eligible individual (if the individual is eligible for assistance other than free care) and how that amount was determined and states, or describes how the individual can get information regarding, the AGB for the care.
      - Refund to the individual any amount he or she has paid for the care (whether to the hospital facility or any other party to whom the hospital facility has referred or sold the individual's debt for the



care) that exceeds the amount he or she is determined to be personally responsible for paying as a FAP-eligible individual, unless such excess amount is less than \$5 (or such other amount published in the Internal Revenue Bulletin).

- Take all reasonably available measures to reverse any ECAs (with the exception of a sale of debt) taken against the individual to obtain payment for the care.

- b. If, upon receiving a complete FAP application from an individual who TMH believes may qualify for Medicaid, TMH may postpone determining whether the individual is FAP-eligible for the care until after the individual's Medicaid application has been completed and submitted and a determination as to the individual's Medicaid eligibility has been made.

## 2. Submission of Incomplete FAP Application

- a. If an individual submits an incomplete FAP application during the Application Period, TMH will—
  - i. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
  - ii. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAP application form that the individual must submit to TMH to complete his/her FAP application.
- b. If an individual who has submitted an incomplete FAP application during the Application Period subsequently completes the FAP application during the Application Period (or, if later, within a reasonable timeframe given to respond to requests for additional information and/or documentation), the individual will be considered to have submitted a complete FAP application during the Application Period.



### Miscellaneous Provisions

1. **Anti-Abuse Rule** – TMH will not base its determination that an individual is not FAP-eligible on information that TMH has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
2. **No Waiver of FAP Application** – TMH will not seek to obtain a signed waiver from any individual stating that the individual does not wish to apply for assistance under the FAP, or receive the information described above, in order to determine that the individual is not FAP-eligible.
3. **Final Authority for Determining FAP Eligibility** – Final authority for determining that TMH has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against the individual rests with the Patient Financial Service Department.
4. **Agreements with Other Parties** – If TMH sells or refers an individual's debt related to care to another party, TMH will enter into a legally binding written agreement with the party that is reasonably designed to ensure that no ECAs are taken to obtain payment for the care until reasonable efforts have been made to determine whether the individual is FAP-eligible for the care.
5. **Providing Documents Electronically** – TMH may provide any written notice or communication described in this policy electronically (for example, by email) to any individual who indicates he or she prefers to receive the written notice or communication electronically.



**Thorek**  
MEMORIAL HOSPITAL

Hospital Contact Information

Website: [www.thorek.org](http://www.thorek.org)

Telephone: 773-975-6843

Fax: 773-975-3220

Mail or In Person:

Thorek Memorial Hospital

850 W. Irving Park Road

Chicago, IL 60613

Attn: Patient Financial Services (Financial Counselor)

*(When visiting in person, ask for a Financial Counselor at the Hospital Front Desk)*

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Ned Budd, President and CEO