Title: Credit and Collections Policy, English (Spanish - 8080)	**Document #:** 4379
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JobTitle: SENIOR DIRECTOR SINGLE BUSINESS BILLING OFFICE	**Most Recent Review:** 06/16/2023
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Policy Statement:

St Charles Health System, Inc., dba St. Charles -Bend, St. Charles Redmond, St Charles Madras, St. Charles Prineville and St. Charles Medical Group (hereinafter St. Charles) is committed to helping patients and caregivers understand the financial counseling and payment options that are available to all patients.

The following options are intended to promote financial healing for our patients.

Definitions: *(Definitions of acronyms or specialized terminology)*

Cosmetic Procedures: Procedures deemed cosmetic by patient's insurance plan or procedures as defined in Plastic Surgery package pricing.

Elective Care/Surgery: Services provided for cosmetic reasons or convenience. This definition includes circumstances when a patient has insurance coverage but the carrier declines to authorize the service and the patient chooses to proceed with non-authorized care or authorization pending care and/or signs a waiver accepting financial responsibility.

Financial Assistance Program: The St. Charles Financial Assistance (FA) program is driven by 501(r) Internal Revenue Service (IRS) regulations and is intended to provide free or reduced cost of care to patients that qualify. See Financial Assistance Program Policy, English-7485(Spanish- 8081) for details.

Guarantor: The guarantor may be the patient, a guardian or another individual guaranteeing payment to St. Charles on behalf of the patient.

Patient: The individual who has received medical services from St. Charles.

Payment Options: Payment plans and self-pay discounts are available for qualified individuals.

Oregon Medicaid Hospital Presumptive Eligibility (HPE) and Enrollment: St. Charles assists patients with eligibility and enrollment to Oregon Medicaid free of charge.

Underinsured: Patients who are unable to afford out of pocket healthcare expenses such as co-payments, coinsurance, and deductibles.

Extraordinary Collections Actions (ECAs): Are actions taken by St. Charles against an individual related to obtaining payment of a bill. ECAs include lawsuits, liens on residences, or similar collection processes, and other actions as defined by the U.S Department of Treasury or the Internal Revenue Service (https://www.gpo.gov/fdsys/pkg/CFR-2015-title26-vol9/pdf/CFR-2015-title26-vol9-sec1-501r-3.pdf).

Instructions:

Facility Services

Medically necessary, pre-scheduled surgical services/procedures:

Required deposits must be paid in full prior to surgery. If the patient/guarantor does not pay the required deposit, the service may be cancelled or rescheduled.

1. Patients with insurance coverage
   Co-Pay – 100% prior to surgery
   Co-Insurance – 100% prior to surgery
   Deductible – 25% of any remaining deductible or $500.00 whichever is greater prior to surgery

2. Patients with no insurance / Self-Pay / non-covered: Patients with no insurance will be required to pay a deposit. The amount of the deposit is dependent upon the service. Services will be rescheduled or cancelled if the deposit is not paid prior to the date of the scheduled service. Payment plans are available for any remaining balance.

Elective Surgeries:

Elective surgeries that are not covered by insurance will require a deposit. The amount of the deposit is dependent upon the service. Services will be rescheduled or cancelled if the deposit is not paid prior to the scheduled service. Payment plans are available for any remaining balance.

1. Bariatric surgery not covered by insurance: Required deposit must be paid in full prior to surgery. Monthly payment plans are available for any remaining balance. Patients unable to pay the required deposit will be rescheduled or cancelled.
   Sleeve Gastrectomy $22,050
   Roux-en-Y Gastric Bypass - $23,625

   Hiatal Hernia Repair - additional $1,365

2. Lasik and Corneal Ring surgery not covered by insurance: Required deposit must be paid in full prior to surgery. Monthly payment plans are available for any remaining balance. Patients unable to pay the required deposit will be rescheduled or cancelled.
   Lasik deposit: $500.00 per eye
   Corneal ring deposit: $500.00 per eye

3. Out of country patients are responsible for payment in full prior to or at time of service.

Professional Services

St. Charles Medical Group (SCMG) scheduled patients:

1. Patients with insurance coverage*:*
   Co-Pay – 100% at time of service
   Co-Insurance – 100% at time of service
   Deductible – collect minimum of 50% of any remaining deductible amount or 50% of the estimated charges at time of service

2. Patients with no insurance / Self-Pay / non-covered*:* Payment is requested in full at time of service. Patients without insurance or unable to pay at the time of service will be referred to Patient Financial Services Customer Service Department for assistance. Patients who cannot pay out of pocket expenses may apply for financial assistance.

3. Scheduled obstetric (OB) patients: Uninsured maternity patients/guarantors are asked to pay their estimated balance in full by their delivery date or contact Patient Financial Services. Patients who cannot pay out of pocket expenses may apply for financial assistance.

4. Out of country patients are responsible for payment in full prior to or at the time of service.

Patient Responsibility

Co-pays, co-insurance, and deductibles:
St. Charles does not adjust co-pays, co-insurance or deductibles. Adjusting co-pays, co-insurance or deductibles is inappropriate as this results in payers and patients being charged different rates for the same services. St. Charles policy is to charge all payers and patients the same rate. Exceptions for patient satisfaction must be reviewed and approved by leadership.

Medicare Patients:
St. Charles will not require advance payment of deductible or other cost sharing as a condition of admission for inpatient services.

Unpaid accounts for patients who are covered by Medicare will be processed like any other delinquent account. Medicare patients who cannot pay out of pocket expenses may apply for financial assistance.

Waivers:
St. Charles makes a good faith effort to notify patients in advance if a schedule service(s) may not be covered by the patient's insurance for any reason. St. Charles may request the patient sign a waiver if the patient elects to proceed with the service. If a waiver is not obtained but there is documentation the patient was notified the service would not be covered and the patient signs Conditions of Registration, St. Charles may bill the patient. If the patient refuses to sign the waiver but elects to proceed with the service and the patient signs Conditions of Registration, St. Charles may bill the patient.

If billed charges exceed the Medicare ABN, St. Charles will follow the Medicare ABN requirements. Medicare states the ABN estimate should not exceed $100 or 25% of the actual costs, whichever is greater. Accordingly, St. Charles does not bill patients more than $100 or 25% of the actual costs, whichever is greater. https://www.cms.gov/Medicare/Medicare-General-Information/BNI/Downloads/ABN-Form-Instructions.pdf

If billed charges exceed the Medicaid 'Client Agreement to Pay' form, St. Charles will not bill patients for more than the amount listed on the agreement to pay form per Oregon Health Authority guidelines. Fact Sheet (oregon.gov)

If billed charges exceed the waiver for non-Medicare or Medicaid patients, St. Charles will follow the Medicare ABN guidelines unless otherwise specified by the payer. St. Charles will not bill patients more than $100 or 25% of the actual costs, whichever is greater.

Patient Satisfaction Discounts:
On rare occasions, St. Charles may adjust patient balances for patient satisfaction. All patient satisfaction discounts, regardless of amount, must be reviewed and approved by leadership.

Self-Pay Discounts:
St. Charles offers a 20% self-pay discount to patients. This discount may also be available for non-covered visits due to insurance policy exclusions with some exclusions. This discount cannot be combined with any other discount programs. This discount is not applicable to balances after insurance coverages are paid unless the claim has denied in full without any discounts being applied and nothing applied to deductible. Exclusions for this discount include, but are not limited to the following:

- Elective/cosmetic surgeries/procedures
- Lasik or corrective vision surgery/procedures, when not covered by insurance
- Bariatric surgery/procedures, when not covered by insurance
- Flat rate out-patient surgeries/procedures

Non-US Residents:
The hospital has contracted with an outside vendor to bill and collect from non-US residents when applicable.

Types of Payment:
St. Charles accepts cash, checks, Visa, MasterCard, American Express, and Discover.

Timely Submission of Statement to Patient:
If a billing statement is not sent to the patient/guarantor within a year from the date of service/discharge *or* six months from the date of final insurance processing, whichever is most recent, the account will be adjusted off to 'timely submission of statement.' St. Charles may bill patients regardless of date of service or final processing dates if the insurance carrier has made payment directly to the patient *or* if the carrier recoups payment at a later date and assigns responsibility to the patient. St. Charles may decline to bill insurance if necessary billing information is not provided within thirty days of the insurance companies timely filing limits. Timely submission of statement does not apply to accounts being held for bankruptcy or litigation.

Financial Assistance:
Financial assistance is available to all uninsured and underinsured patients. If a patient qualifies for partial financial assistance, the responsible party will need to contact Patient Financial Services to coordinate a "Payment Plan". See the "Financial Assistance Program" policy.

Payment Plan:
Payment in full will be requested of all patients/guarantors. If the patient/guarantor cannot pay in full and requests a payment plan, the following guidelines and criteria apply:

- Determine if other methods of payment can be made (e.g. credit card, bank loan).
- Partial payments will not be accepted in lieu of the scheduled monthly payment and will be considered a default on the terms.
- Missing one payment of an established payment plan is considered a default on the terms.
- Accounts that default will be referred to an outside credit collection agency.
- Single Billing Office leadership may approve exceptions to the payment plan for extenuating circumstances.
- Payment plan option:
    - Each patient will have a separate payment plan.
    - Minimum of $25.00 per month.
    - 0 to 24 months = 0.00% interest.
    - The payment plan option does not apply to financial obligations for medical services not billed by the health system (e.g. non-employed emergency room physicians, anesthesiologists, radiologists, pathologists, surgeons, and other specialists).

Collection Agency:
A debt collection agency or collection agency employs a team of debt collectors who specialize in collecting outstanding debts. In this scenario, the debts are outstanding medical debts. Debt collection agencies are hired by companies who seek the agencies help to collect these debts.

- Accounts may be assigned to a collection agency if a patient/guarantor defaults on their payment plan, does not qualify for the Financial Assistance Program and fails to make arrangements to resolve the balance(s) due.
- All third-party collection agents and agencies performing ECAs, are required follow St. Charles policies and procedures.

SCHS Collections Practices:

- No attempts will be made to collect medical debts from children or other family members who are not financially responsible for the debt.
- No interest will be charged on unpaid balances if patients qualify for financial assistance. Interest may be charged on unpaid balances if patients do not qualify for financial assistance and is referred to a debt collection agency, in accordance with Oregon H.B. 3076, Section 4, 8(a).
- Collection agencies will only report unpaid medical collections debt to credit bureaus after one year of assignment, and if the cumulative balance is over $500.
- Collection agencies will not display paid medical debt accounts on credit bureau reporting.

BAD DEBT
SCHS periodically reviews whether it is properly reporting bad debt to regulatory and funding authorities to ensure that all bad debt procedures are in accordance with applicable federal and state statutes, regulations, guidelines, and policies. SCHS has appropriate mechanisms in place regarding beneficiary deductible and co-payment collection as defined in Credit and Collections Policy, English (Spanish - 8080).

Medicare provides reimbursement on the cost report to providers for unpaid co-insurance and deductible amounts on Medicare accounts. Per PRM 308 a debt must meet these criteria to be an allowable bad debt:

- The debt must be related to covered services and derived from deductible and coinsurance amounts.
- The provider must be able to establish that reasonable collection efforts were made. To be considered a reasonable collection effort, a provider's effort to collect Medicare deductible and coinsurance amounts must be similar to the effort the provider puts forth to collect comparable amounts from non-Medicare patients.
- Sound business judgment established that there is no likelihood of recovery at any time in the future.

After two years of attempted collections by external collection agency, accounts will be examined by said agency to determine likelihood of future recovery. If the account is deemed uncollectable, the agency will return the accounts to be adjusted to Terminal Bad Debt, adjustment code 7999.

Financial Counseling:
Financial Counselors will assist patients/guarantors requesting financial assistance, Oregon Medicaid Hospital Presumptive Eligibility (HPE) screening, and payment plans.

References: *(Documents or Regulatory Requirements to which this document refers linked within Document Library or from which the document was created.)*

The following links are for St. Charles' internal use only.

Financial Assistance Program - Policy, English (Spanish - 8081)
Pre-Authorization Required Prior to Surgery Procedure Scheduling
Billing and Compliance Plan (1129)