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Revenue Cycle
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Policy Area Revenue Cycle
Applicability FHCC Outpatient
& Montlake
References CTL, EVG, ISQ,
NWH, PEN,
PTC, SLU,
Shine,
Wellness
Center



FIN608 Patient Billing and Collections Policy

SCOPE:

This policy applies to all Fred Hutchinson Cancer Center (Fred Hutch) locations (hospital and outpatient clinics) and to all urgent and other medically necessary services provided by Fred Hutch locations.

PURPOSE:

To define the policy for billing and collection of patient self-pay account receivables, ensuring reasonable collection efforts are administered.

- promotes timely payment of the services provided
- is sensitive to each patient's individual financial circumstances
- offers flexible and multiple options for patients to meet their financial obligations
- strives for quality customer service to resolve billing questions within a single outreach

DEFINITIONS:

- **Guarantor:** The person who is financially responsible for the patient's bill.
- **Pre-collection:** The time period before a patient's balance owed is assigned to an outside collection agency.
- **Statement:** A bill for services rendered. This is a summary of activity across all patient

accounts.

- **Dunning message:** Messages added to patient statements to remind guarantors of payment terms or delinquent payment.
- **Collection agency:** A company used by creditors to recover funds that are past due, or from accounts that are in default.
- **Legal judgment:** In debt collection lawsuits, the judge may award the creditor or debt collector a judgment against the financially responsible party. This judgment requires the financially responsible party to pay.

POLICY:

Insurance Billing:

Fred Hutch Revenue Cycle will bill state, federal and other commercial insurance carriers. We do not hold the patient responsible for the bill until we have resolved all issues with the insurance carriers, including appeals of denials. Whenever possible, we act as a patient advocate to secure insurance payment before the facility claims are changed to self-pay.

- Self-pay accounts are due upon receipt of the first statement unless other arrangements are made
- Self-pay balances after insurance are due upon receipt of the first statement
- Fred Hutch sends patient statements every 30-days in a 120-day cycle. These statements include dunning messages notifying the guarantor of the status of their accounts, including information about past due accounts, and accounts that may be sent to collections

During this time, patients can make payment in full or financial arrangements which include:

- Providing additional information for billing another payer or insurance
- Payment plan
- Financial Assistance (charity) as outlined in our Financial Assistance policy (FIN603)
- Dispute of charges
- Quality of care and billing accuracy issues are to be resolved as quickly as possible and prior to enforcing collection standards.
- Billing disputes related to Quality of Care issues are put on hold for review
- Out-bound calls are placed in an attempt to obtain payment or make financial arrangements.
- The fourth statement is a "Final Notice" informing the guarantor that their account will be placed with an outside bad debt collection agency if payment or arrangements for payment are not made within the next 30 days.
- Failure to respond or to make payment arrangements may result in placement with the bad debt collection agency.
- All patients who indicate financial challenges are to be screened for Financial Assistance and/or possible Medicaid coverage (see FIN605 Financial Counseling policy). Financial Assistance may be granted at any time, even after collection agency assignment, but must be requested prior to a legal judgment.

Discount Options:

Fred Hutch offers a 10% self-pay discount to patients and guarantors who are uninsured or are receiving services not covered by their current insurance plan. Discounts are offered and applied in our billing system for facility charges.

If the services received are deemed statutorily non-covered by the patient / guarantor's insurance plan, the self-pay discount may be applied to the services that are not covered.

Payment Options:

Fred Hutch accepts personal check, money order, electronic check, wire transfer or credit card for payment.

Payments are accepted through these means:

- Online Bill Pay in full or setup a payment plan via MyChart 24/7 mychart.uwmedicine.org
- Customer Service M-F 7:30 a.m. to 4:00 p.m. (except holidays) to pay or set up a payment plan – call 206-606-6226 or 800-304-1763
- Patient portions are due upon receipt of initial post-discharge billing statement unless payment arrangements are made, or a Financial Assistance application has been submitted.

Payment Plans:

Payment arrangements are established upon patients' request with Fred Hutch Customer Service or via MyChart. Typically, this would allow up to 24 months of payments (minimum of \$50 per month), or additional time if approved circumstances apply.

Medical Liens:

When a patient is a victim of an accident or other wrongful act, their health insurance company will generally not pay for medical services once it is determined that another party will ultimately be liable. In addition, a patient may not have insurance but may be seeking settlement from the responsible party. In these situations, Fred Hutch may file a lien against the future personal injury settlement. A lien is a form of security interest over real or personal property to secure the payment of a debt.

Account Placed in Collections:

Activities may include:

- An initial notice which informs the guarantors they have 30 days after receiving this notice to dispute the validity of the debt or any portion thereof, this office will assume this debt is valid: eligible for credit reporting on the 365th day
- Telephone calls
- Legal judgments with subsequent wage garnishment
- Medical liens

Additional information regarding collection accounts:

- Fred Hutch Patient Accounting must authorize any legal action taken on any account. Fred

Hutch Patient Accounting will not authorize suit if there is not meaningful employment.

- Accounts returned from collection agencies after 6 years are deemed noncollectable and removed from our Collection Agency Accounts Receivable (A/R)
- Unpaid balances may remain on the guarantor's credit history for seven years or for ten years if a legal judgment was obtained.

Extraordinary Collections Actions (ECA):

1. ECAs include placing liens on an individual's property, reporting individual to a credit agency, garnishing wages and requiring payment or deposit prior to providing medically necessary care. Patient accounts shall not be subjected to any ECAs, either by Fred Hutchinson Cancer Center or the collection agency to which they are assigned.

Fred Hutch will not have made reasonable efforts to determine eligibility simply by obtaining a signed waiver from the patient, nor will Fred Hutch be considered to have made reasonable efforts if Fred Hutch determines ineligibility based on information it has reason to believe is unreliable or incorrect or is obtained from the patient under duress or through coercion. Reasonable efforts have been made to determine Financial Assistance eligibility include the following;

- a. Any ECAs initiated are suspended if an incomplete application is received, written notification of missing information/documents is sent to patient including notification of any ECAs Fred Hutch (or Fred Hutch's agent) may initiate or resume if application or payment is not received by a specified deadline;
- b. All billing statements contain a conspicuous notice regarding the availability of Financial Assistance with a phone number to call for information/assistance and the direct web site address where copies of the Financial Assistance documents may be obtained;
- c. The Financial Assistance plain language summary is included with the 4th billing statement to increase awareness;
- d. Completed Financial Assistance applications are processed in a timely manner and patient is notified in writing of the determination, provided an updated billing statement if a balance remains, and refunded if payment has been made in the approved period that is supported by an application.
- e. Fred Hutch may meet the reasonable efforts requirement by determining a patient eligible for the most generous Financial Assistance available based on information that established the patient's eligibility for one or more means-tested public programs.
- f. Fred Hutch may choose to grant Financial Assistance to a patient who has failed to fully provide the information/documentation requested on the Financial Assistance application.

2. 120 days have elapsed since the first post-discharge billing statement; and

3. The following notification requirements have been met (at least 30 days prior to initiation of the ECA):

- a. Written notification sent notifying of Financial Assistance availability;

- b. Provision of a Financial Assistance plain language summary;
 - c. Notice of the action(s) to be taken upon nonpayment have been provided;
 - d. Notice of the date after which the action(s) will be taken if payment is not received; and
4. Credit reporting may occur 365 days after the first post-discharge billing
 5. Lawsuits for past due balance may not be filed prior to 240 days after the first post discharge billing
 6. Sufficient effort has been made to determine patient's eligibility for Financial Assistance

Equal Treatment of All Patients/Guarantors:

Fred Hutch processes patient accounts in a manner consistent with this collection policy. Under no circumstances are age, race, color, religion, sex, sexual orientation or national origin considered in applying this policy.

Payment on patient accounts will be pursued consistently. Every guarantor will be given reasonable time and communication to be made aware of and understand their financial responsibility. This includes notification regarding Fred Hutch's Financial Assistance/Charity Policy and possible payment plan options.

REQUIREMENTS:

REFERENCES:

- FIN603 - Financial Assistance Policy
- FIN605 - Financial Counseling
- Financial Assistance Plain Language Summary



Approval Signatures

Step Description	Approver	Date
	Natalie Simpson: Policy & Practices Mgr	1/25/2023
	Jen Griffin: Accreditation and Regulatory Affairs Specialist	1/12/2023
	Rowena Fish: Dir Revenue Cycle Mgt	1/12/2023

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