

### **Billing and Collection Policy**

- I. **Purpose and Objective:** This policy is intended to identify the actions that may be taken with respect to billing and collection of hospital charges for services provided to patients of Straith Hospital (the “Policy”). This Policy also describes the process and time frames used in taking these collection actions, including the requisite Reasonable Efforts that must be taken by Straith Hospital personnel to determine whether an individual is eligible for financial assistance, as defined below, under the Straith Hospital Financial Assistance Policy (the “FAP”). This Policy is intended to comply with the requirements imposed by Section 501(r) of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations-at 501(r)(6).
  
- II. **Definitions:**
  - A. **Application Period** - The Application Period is defined as the period during which Straith Hospital must accept and process a Patient Financial Assistance Application (“Application”), as defined in the FAP that it receives. The Application Period begins on the first date care is provided to a patient and ends on the 240<sup>th</sup> day after Straith Hospital provides the patient with the first billing statement for the care.
  
  - B. **Extraordinary Collection Actions (“ECA”)** - ECAs are actions that may be taken by Straith Hospital against an individual related to obtaining payment of a bill for items or services covered under the FAP that require legal or judicial process or involve selling an individuals’ debt to another party or reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus. For purposes of this Policy, Straith Hospital, or its authorized agent, may engage in the following actions requiring a legal or judicial process, without limitation, to obtain payment: (1) placing a lien; (2) foreclosing on real property; (3) attaching or seizing of bank accounts or other personal property; (4) commencing a civil action against an individual; (5) taking actions that cause an individual’s arrest; (6) taking actions that cause an individual to be subject to body attachment; and (7) garnishing wages.
  
  - C. **Notification Period** - The Notification Period is defined as the period during which Straith Hospital must make a Reasonable Effort, as defined below, to notify the patient of the FAP. The Notification Period begins on the first date care is provided to the patient and ends on the 120<sup>th</sup> day after Straith Hospital provides the patient with the first billing statement.
  
  - D. **Reasonable Efforts** – Reasonable Efforts means Straith Hospital will: (i) notify patient about the FAP by providing him or her with a plain language summary of the FAP and offering an Application to the patient; (ii) include a description of how to obtain the FAP with all billing statements (a minimum of three over a 120

day period) for the care and all other written communications regarding the bill provided to the patient during the Notification Period; (iii) inform the patient about the FAP in all oral communications regarding the amount due for care that occur during the Notification Period; and (iv) provide the patient with at least one written notice that informs him or her about the ECAs that might be taken (or resumed) if the Application is not completed or if payment is not made by a deadline specified in that written notice, which is no earlier than the last day of the Notification Period; and this written notice must be provided to the patient at least 30 days before the specified deadline.

In addition, Reasonable Efforts includes the following procedures and requirements for each of the specific situations described below:

- 1. When No Application is Submitted** - If a patient fails to submit an Application during the Notification Period (or, if later, by the end of the Application Period), Reasonable Efforts includes notifying (and documenting that it has notified) the patient as described in items (i) through (iv) above.
- 2. When An Application is Received but Incomplete** - Reasonable Efforts means Straith Hospital: (a) suspends any ECAs against the patient; (b) provides a written notification that describes what additional information or documentation is needed and includes a plain language summary of the FAP; and (c) provides at least one written notice: (1) that informs the patient about the ECAs that Straith Hospital or other authorized party may initiate or resume if the patient does not complete the Application or pay the amount due by a completion deadline (specified in the notice) that is no earlier than the later of the last day of the Application Period or 30 days after Straith Hospital provides the individual with the written notice and (2) that is delivered to the patient at least 30 days before the completion deadline.
- 3. When An Application is Complete and Straith Hospital Determines That the Patient is Eligible for Financial Assistance** - Reasonable Efforts means Straith Hospital: (a) provides the patient with a billing statement that indicates the amount owed after subtracting the financial assistance amount; (b) refunds any excess payments made by the patient; and (c) takes all reasonably available measures to reverse any ECAs (other than the sale of a debt) taken against the patient.

**III. Procedure:**

- A. Notification to Patients.** All communications with patients and/or families will include a telephone number for them to call to facilitate resolving the account or billing disputes. Straith Hospital will inform the patient and/or the family about the availability of financial assistance in all verbal communications about the amount due that occurs during the Notification Period.

- B. Limited Use of ECAs.** Use of ECAs is strictly prohibited unless Reasonable Efforts have been made to determine if the patient is eligible for financial assistance under the FAP.
- C. Internal Collection Actions.** To the extent not inconsistent with this Policy, Straith Hospital shall follow its ordinary billing and collection practices with respect to patients. Those practices include: (1) Billing any insurance company identified by the patient. (2) If an insurance company pays any amount of the charges, the remainder will be billed to the patient. (3) The first bill to the patient will include: (i) An offset of gross charges by the amount paid by the insurer or if the patient is uninsured and has completed an Application and qualified for financial assistance the amount claimed will be the amount generally billed (AGB) as defined in the FAP; (ii) a written notice in plain language in a font set easily readable advising the patient that financial assistance is available if the patient is unable to pay the bill, including: a telephone number to call to obtain a copy of the FAP or the website address to obtain a copy of the FAP, and a plain language summary of the FAP; and (iii) if a patient chooses to pay an amount owed, Straith Hospital accepts a variety of payment alternatives, including cash, VISA, MasterCard, Discover, American Express and personal checks. Additional payment options are available based on personal circumstances and will be coordinated on an individual basis. Please contact our financial representative at (248-357-3360) for further information.
- D. Use of External Collection Agencies.** Straith Hospital shall not refer a patient's account to a collection agency until after the Notification Period ends. After the Notification Period, and if a patient balance remains unpaid, the account may be transferred to a collection agency provided that the terms of the agreement between Straith Hospital and the collection agency require the collection agency to operate in accordance with the FAP and this Policy. Such agreement will require the collection agency to conduct all interactions with patients and their families in a courteous and respectful manner. If a patient submits an Application during the Application Period, whether complete or incomplete, the collection agency will immediately suspend any ECAs against the patient.
- E. Responsible Department.** The Business Office Department (the "Department") shall have final authority and responsibility for determining that Reasonable Efforts have been made to determine whether an individual is eligible under the FAP. The Department will also be responsible for maintaining records relating to requests and applications for financial assistance. Before sending an account to a collection agency, the Department shall have determined that Reasonable Efforts have been made to assess the patient's eligibility for financial assistance and, among other records, will maintain copies of notices to patients of their eligibility for financial assistance.
- F. Overrides Other Billing and Collection Policies.** To the extent Straith Hospital has any other policies, or portions of policies that conflict with this policy and/or Section 501(r) of the Internal Revenue Code and the regulations thereunder, this policy and/or Section 501(r) will prevail.

- G. Policy to Be Made Widely Available.** Straith Hospital shall make copies of this Policy and the FAP widely available to the general public consistent with Section 501(r) of the Code, and the regulations.
- H. Coordination with Financial Assistance Policy** - At all times this policy shall be interpreted in a manner consistent with the FAP and Section 501(r) of the Code, and the regulations.