

POLICY:	BILLING AND COLLECTION PRACTICES		
APPROVAL:	CHAIRMAN OF THE BOARD; PRESIDENT & CEO; VICE PRESIDENT OF FINANCE		
EFFECTIVE DATE: 2/1/2016	CURRENT REVIEW/ REVISION DATE: 12/15	SUPERSEDES: 4/92, 12/92, 3/93, 4/94, 4/95, 4/96, 4/97, 9/98, 4/99, 4/00, 4/01, 8/02, 8/03, 5/04 (Business Office Dept. Policy); 11/05; 6/08, 7/11; 2/14	ORIGINAL EFFECTIVE DATE: 4/92
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I. Purpose:

Morris Hospital & Healthcare Centers (also referred to as the “Hospital”) is a not-for-profit, tax-exempt entity with a charitable mission of providing healthcare care services to residents of the City of Morris and the Hospital’s defined primary and secondary service area. The purpose of the Billing and Collection Policy is to ensure that, in connection with the Hospital’s efforts to bill and collect for healthcare services rendered, all patients are treated fairly and reasonably and given sufficient opportunity to apply for financial assistance (see Morris Hospital & Healthcare Centers’ Financial Assistance Policy) or make other payment arrangements.

II. Overview:

This policy describes certain discounts that may be available to patients with respect to self-pay balances. This policy also sets forth the actions that the Hospital may undertake in the event of non-payment of any Patient Balance for hospital and/or clinic healthcare services. This policy also sets forth the measures that the Hospital will undertake to ensure that reasonable efforts are made to determine whether a patient is eligible for financial assistance under the Hospital’s Financial Assistance Policy, prior to commencing any extraordinary collection actions in an effort to collect the account.

For purposes of this policy, references to “patient” mean either the patient or his or her guarantor, *i.e.*, the person having financial responsibility for payment of the account balance.

III. Definitions:

- A. Application Period – The period during which the Hospital must accept and process an application for financial assistance pursuant to the Hospital’s Financial Assistance Policy. Copies of the Policy and the Financial Assistance Application are available at <http://www.morrishospital.org/financialassistanceapplication>. The Application Period begins on the date that the healthcare services are provided and ends on the 240th day after the Hospital provides the first post-discharge Billing Statement for the care.
- B. Billing Statement – Any notice mailed or delivered to the patient requesting payment. The notice can be the first post-discharge Billing Statement for the care, any routine monthly Billing Statement thereafter, or a Pre-Collection Letter.
- C. Extraordinary Collection Action (ECA) - The reporting of patient debt to a credit bureau or agency, or any action against the patient related to obtaining payment of a Patient Balance where such action requires a legal or judicial process, including:
 - 1. Liens against property of the patient or with respect to which the patient may have an interest, including liens against estates and liens against legal judgments, settlements or compromises to which the patient may be entitled (except for liens

that may be asserted by the Hospital on the proceeds of a personal injury judgement, settlement or compromise owed to an individual patient as a result of personal injuries for which the Hospital provided care to the patient);

2. Foreclosure on real estate;
3. Attachment or seizure of bank accounts or personal property;
4. Commencing a civil action;
5. Causing arrest or a writ of body attachment; or
6. Garnishment of wages or other income.

ECAs do not include the Hospital's filing of a claim in a bankruptcy proceeding.

- D. Financial Service Representative – Personnel in the Hospital's Patient Accounting Office who educate patients regarding the Hospital's financial policies, including but not limited to the Financial Assistance Policy and the terms of the Billing and Collection Policy.
- E. Notification Period – The time period during which the Hospital must notify the patient about the availability of financial assistance. The Notification Period begins on the first date care is provided to the patient and ends on the 120th day after the Hospital provides the first post-discharge Billing Statement for the care.
- F. Patient Balance – Any balance on an account that is not paid by insurance, governmental payor, or other third-party payment source. Patient Balances will not be subject to interest for so long as such accounts are held by Morris Hospital & Healthcare Centers.
- G. Plain-Language Summary – The written summary of the Hospital's Financial Assistance Policy, a copy of which is attached to that Policy and available at <http://www.morrishospital.org/financialassistanceapplication>. The Plain-Language Summary will be publicized as described in the Financial Assistance Policy.
- H. Pre-Collection Letter – A Billing Statement that is mailed or delivered to the patient by the Hospital at least 30 days prior to the commencement of one or more ECAs against the patient, indicating the Hospital's intent to initiate one or more ECAs to obtain payment of the balance due, and including the other required content described in Section IV.H below.
- I. Prompt-Pay Discount – A 15% discount given to self-pay patients who pay their account balance in full (i) in the case of hospital services, within 30 days following the first post-discharge Billing Statement for the care, or (ii) in the case of clinic (Healthcare Centers) services, within 10 days following the first Billing Statement for the care. The Prompt-Pay Discount is not available for a patient who is covered by a High-Deductible Health Plan. The Prompt-Pay Discount may apply in addition to the Self-Pay Discount, but is not available in cases where the patient qualifies for free or discounted care pursuant to the Hospital's Financial Assistance Policy.
- J. Self-Pay Discount – A 15% discount given to patients who have no insurance coverage or other third-party payment source for the particular healthcare services provided. The Self-Pay Discount is not available for a patient who is covered by a High-Deductible Health Plan. The Self-Pay Discount is in addition to any Prompt-Pay

Discount that may apply, but is not available in cases where the patient qualifies for free or discounted care pursuant to the Hospital's Financial Assistance Policy.

IV. Policy:

- A.** Morris Hospital & Healthcare Centers will cause all Billing Statements to include:
1. The date or dates of healthcare services;
 2. A brief description of the healthcare services rendered, with a statement that the patient may obtain an itemized bill upon request;
 3. The amount required to be paid by the patient;
 4. Contact information (include phone number, e-mail address, and mailing address) for the Hospital's Patient Accounting Office to address billing questions or concerns; and
 5. As required by the Hospital's Financial Assistance Policy, a conspicuous statement regarding the availability of financial assistance, along with a phone number and website address where patient may obtain more information.
- B.** The Hospital Financial Service Representatives shall respond to patient billing questions, concerns or disputes as promptly as reasonably possible and, in any event, not more than (i) two days after a patient's telephone call or e-mail inquiry, or (ii) 10 days after receipt of a patient's inquiry by mail.
- C.** All patients who have no insurance coverage or other third-party payment source for the particular healthcare services provided will automatically be granted the Self-Pay Discount. The Self-Pay Discount will be reversed if the patient is later determined to qualify for financial assistance under the Hospital's Financial Assistance Policy, in which case the financial assistance discount will apply in lieu of the Self-Pay Discount.
- D.** With respect to each self-pay patient, the Hospital will ensure that the first Billing Statement for the care includes a conspicuous statement regarding the availability of the Prompt-Pay Discount, as well as the amount that will be due if the patient chooses to avail himself or herself of the Prompt-Pay Discount by paying in full (i) the case of the hospital services, within 30 days, or (ii) the case of clinic (Healthcare Centers) services, within 10 days.
- E.** The Hospital will accommodate patient through the establishment of reasonable, interest-free payment plans for Patient Balances due, consistent with the Hospital's Financial Resolution Policy. Patients may request payment plans during an initial 30-day period immediately following the first post-discharge Billing Statement; payment plans may be established outside that timeframe at the discretion of the Hospital. Unless otherwise agreed in writing by the Hospital, each payment plan will provide for (i) the account to be paid in full within 6 month following the date of care (subject to extension in the case of substantial balances), and (ii) a minimum monthly payment of at least \$50. Eligibility for a payment plan is conditioned upon the patient's provision of complete and accurate information and the patient's timely cooperation with Hospital representative. If a patient fails to provide timely and accurate information or fails to reasonably cooperate with the Hospital's Financial Service Representatives, he or she may be deemed ineligible for a payment plan and, accordingly, may be expected to promptly pay his or her bill in full.

- F.** Subject to compliance with the provisions of this policy, the Hospital may take any and all legal actions, including Extraordinary Collection Actions (ECAs), to obtain payment for healthcare services provided. However, the Hospital's efforts to collect amounts due from patients will not include any of the following ECAs:
1. Arrest or a writ of body attachment;
 2. The filing of a lien against child support amounts owed to or for the benefit of the patient;
 3. Foreclosure on a primary residence (other than a lien with respect to proceeds received upon sale of such residence); or
 4. Attachment or execution upon a lien against any other assets exempt from creditors under Illinois law.
- G.** Morris Hospital & Healthcare Centers will not engage in any ECAs, either directly or by any debt collection agency or other representative, before reasonable efforts are made to determine whether the patient is eligible for assistance under the Hospital's Financial Assistance Policy. To that end:
1. The Hospital will not engage in any ECAs during the Notification Period.
 2. The Hospital will publicize the availability of financial assistance through the methods specified in the Hospital's Financial Assistance Policy, including through:
 - a. Positing signs in the admission and registration areas of the Hospital, as well as the Emergency Department, and in the Healthcare Centers;
 - b. Posting the Financial Assistance Policy, the Financial Assistance Application, and Plain-Language Summary on the Hospital's website;
 - c. Including the Plain-Language Summary in patient registration materials and inpatient handbooks; and
 - d. Including the Plain-Language Summary in materials offered to each patient as part of the intake or discharge process.
 3. Morris Hospital & Healthcare Centers will ensure that the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are made available in both English and any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within the Hospital's primary and secondary service areas.
 4. During the Notification Period, the Hospital will provide each patient with at least three Billing Statements (although no further Billing Statements need be sent, once the patient submits a Financial Assistance Application), each of which includes:
 - a. A conspicuous statement regarding the availability of financial assistance;
 - b. A phone number for information about the Financial Assistance Policy and the application process; and
 - c. A website address where the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are available.
 5. If any patient contacts the Hospital for information regarding possible financial assistance, the Hospital will provide such patient, at no cost, with a copy of the Financial Assistance Policy, the Financial Assistance Application, and the Plain-Language Summary. In addition, the Hospital will ensure that the patient is referred to a Financial Service Representative for further explanation and assistance as needed.
- H.** In the event that Morris Hospital & Healthcare Centers intends to undertake one or more ECAs, the Hospital will mail or deliver to the patient a Pre-Collection Letter at

least 30 days prior to commencement of the ECA(s). The Pre-Collection Letter will include all of the following:

1. A statement that the Hospitals intends to initiate on or more ECAs (identifying the specific ECAs to be undertaken) to obtain payment of the balance due;
2. A date (which must be at least 30 days following the date of the Pre-Collection Letter) by which payment must be made in order to avoid the specified ECAs;
3. A conspicuous statement that financial assistance is available pursuant to the Hospital's Financial Assistance Policy; and
4. A copy of the Plain-Language Summary.

Under no circumstances may a Pre-Collection Letter be mailed or delivered to a patient earlier than 30 days prior to the end of the Notification Period. During the 30-day period following the mailing or delivery of the Pre-Collection Letter, the Hospital will continue to make reasonable efforts to orally notify the patient about the availability of financial assistance.

If an intended ECA covers charges for multiple episodes of care, the timeliness associated with the Notification Period (120 days) and the Application Period (240 days) will be measure with respect to the most recent episode of care at issue (specifically, from the date of the first post-discharge Billing Statement for that care).

- I. After the Notification Period has expired, the Hospital may commence one or more ECAs as follows:
 1. IF the patient has not applied for financial assistance under the Hospital's Financial Assistance Policy by the last day of the Notification Period, the Hospital may initiate an ECA, but only after the Pre-Collection Letter has been provided and a period of at least 30 days has elapsed thereafter.
 2. If the patient has applied for financial assistance but a determination has been made that the patient does not qualify under the Hospital's Financial Assistance Policy, the Hospital may initiate one or more ECAs.
 3. If the patient submits an incomplete Financial Assistance Application prior to the expiration of the Application Period, then ECAs may not be initiated until the following process has been completed:
 - a. The Hospital provides the patient with a written notice that describes the additional information or documentation required in order to complete the Financial Assistance Application;
 - b. The Hospital provides the patient with at least 30 days' prior written notice of the ECAs that the Hospital may initiate against the patient if the Financial Assistance Application is not completed or payment is not made by a specified date; *provided, however*, that the deadline for completion or payment may not be set prior to the end of the Application Period;
 - c. If the patient then completes the Financial Assistance Application and the Hospital determines definitively that the patient is ineligible for any financial assistance, the Hospital will give the patient an opportunity to establish a payment plan before initiating any ECAs; and
 - d. If the patient fails to complete the Financial Assistance Application by the specified date provided in the written notice, the Hospital may initiate one or more ECAs.
 4. The Hospital will not undertake one or more ECAs against any patient unless approved in writing by the Hospital's Vice President of Finance, based on the reasonable belief that the conditions for undertaking the proposed ECAs (under

this Billing and Collection Policy and applicable law) have been met. Under no circumstances will the Hospital engage in ECAs against patients who have clearly demonstrated that they have neither sufficient income nor assets to meet their financial obligations (whether pursuant to the Hospital's Financial Assistance Policy or otherwise).

5. If a Financial Assistance Application (whether complete or incomplete) is submitted by a patient at any time during the Application Period, the Hospital will suspend any ECAs underway for so long as the patient's Financial Assistance is pending.
- J.** After the Notification Period has expired, Morris Hospital & Healthcare Centers may use external collection agencies to assist in the collection of patient accounts. The Hospital will require each collection agency to agree in writing to adhere to the billing and collection practices set forth in the Billing and Collection Policy and to comply with applicable state and federal law. Before forwarding accounts to collection agencies, Financial Service Representatives will screen the accounts for special circumstances, such as catastrophic illnesses, high dollar accounts or numerous accounts.
1. An account will not be sent to a collection agency unless the patient has had a reasonable opportunity to develop and comply with a reasonable payment plan and has either failed to establish such a plan or failed to adhere to a payment plan so established.
 2. An account will not be sent to a collection agency if the patient has submitted a pending Financial Assistance Application. If the collections process is already underway, the Hospital will take reasonable efforts to suspend the collections process pending a determination of the patient's eligibility for financial assistance.
 3. An account will not be sent to a collection agency if the patient has applied for coverage through a governmental payment program and that application remains pending (provided that there is a reasonable basis to believe that the patient will qualify for such coverage).
 4. An account will not be sent to a collection agency unless approved in writing by an authorized Hospital representative, based on the reasonable belief that the conditions for undertaking external collection (under this Billing and Collection Policy and applicable law) have been met.
 5. The Hospital may authorize external collection agencies functioning on its behalf to undertake ECAs consistent with the provisions of Sections IV.H and IV.I above and applicable law. However, any ECA proposed to be undertaken by an external collection agency will require the prior written approval of the Hospital in each case specifically as the particular patient and account.
- K.** The account balances of patients who are able, but unwilling, to pay for the Hospital's services are considered uncollectible bad debts; such accounts will be referred to outside agencies for collection. The account balances of patients who qualify for financial assistance under the Hospital's Financial Assistance Policy, but who fail to pay the remaining (discounted) balance when due, are considered uncollectible bad debts for the amount of such balances; such accounts will be referred to outside agencies for collection.

- L. If the Hospital refers or sells patient debts to another party during the Application Period, the Hospital will enter into a written agreement with such party that obligates such party to:
 - 1. Refrain from engaging in ECAs until the Notification Period has expired and at least 30 days have passed since the Pre-Collection Letter was mailed or delivered to the patient;
 - 2. Suspend any ECAs if the patient submits a Financial Assistance Application during the Application Period; and
 - 3. If the patient is determined to be eligible for Financial Assistance, ensure that the patient is not asked or obligated to pay (and does not pay) more than required, and reverse and ECAs previously taken.

M. Morris Hospital & Healthcare Centers will ensure that patients' medical records do not contain notations regarding financial matters, including insurance coverage or other payment source, balances due, past or current collection actions, or other details as to account status.

V. Publication:

Morris Hospital & Healthcare Centers will provide copies of this Billing and Collection Policy without charge to the public. The Billing and Collection Policy generally will be posted, publicized, and otherwise available in the same manner as the Hospital's Financial Assistance Policy. The Hospital will ensure that his Billing and Collections Policy is made available in both English and any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within the Hospital's primary and secondary service areas.

VI. Guidelines for Business Organizations/Occupational Health Clients:

The Hospital's Vice President of Finance will determine what course of action to take on unpaid accounts for business organizations and occupational health clients. In connection with such determination, consideration will be given to all relevant facts and circumstances, including the business's number of accounts with unpaid balances, total dollar amount owed, days past due, contract terms, length of providing services with the business, and number of employees.

VII. Staff Information/Training:

A. Morris Hospital & Healthcare Centers will cause all employees in the Patient Accounting Office, Patient Registration Office, and Healthcare Centers to be fully versed in this Billing and Collection Policy, to have access to this Policy as well as the Hospital's Financial Assistance Policy (and Financial Assistance Application and Plain-Language Summary), and to be able to direct questions to the appropriate Hospital office or representative.

B. Morris Hospital & Healthcare Centers will cause all staff members with public and patient contact to be adequately trained regarding the basic information related to this Billing and Collection Policy to the appropriate Hospital office or representative.

VIII. Title and Transfer Text

Please also include reference to the following policies: Financial Assistance Policy, Financial Resolution Policy, and Community Benefit Reporting Policy.

APPROVAL:

Kelly Beaty **Date**
Chairman of the Board of Directors

Dean Marketti **Date**
Vice President of Finance/CIO/CFO

Mark B. Steadham **Date**
President & CEO