PURPOSE

The purpose of this policy is to provide information regarding the billing and collection practices for UVA Culpeper Medical Center, (CPMC) acute hospital facilities.

SCOPE

This policy applies to all CPMC acute care facilities. Any collection agency working on behalf of CPMC will honor and support CPMC’s collection practices as outlined below. Unless otherwise specified, this policy does not apply to physicians or other medical providers, including but not limited to emergency room physicians, anesthesiologists, radiologists, hospitalists, and pathologists.

DEFINITIONS

Amounts Generally Billed (AGB) – Charges billed to patients who are eligible for financial assistance. The charges are based on the average allowed amounts from Medicare and commercial payers for emergency and other medically necessary care. The allowed amounts include both the amount the insurer will pay and the amount, if any, the individual is personally responsible for paying. The AGB is calculated using the look back method per 26 CFR §1.501(r). Further information regarding the AGB discount is available at https://www.novanthealthuva.org/patients--visitors/billing--insurance/culpeper-medical-center.aspx. or by calling customer service at 540-643-9128.

Bad Debt – An account balance owed by a guarantor which is written off as non-collectable.

Collection Agency - A “Collection Agency” is any entity engaged by a Hospital to pursue or collect payment from guarantors.
Eligibility Period – The period of time a guarantor is awarded financial assistance.

Extraordinary Collection Action (ECA) - An ECA is any of the following:
- Selling an individual’s debt to another party, subject to some exceptions
- Adverse reporting to credit reporting agencies or credit bureaus
- Deferring, denying or requiring payment before providing medically necessary care due to nonpayment for previously provided care
- Actions that require a legal process, including but not limited to:
  - Placing a lien on property
  - Foreclosing on real property
  - Attaching or seizing a bank account or other personal property
  - Commencing civil action against an individual
  - Causing an individual’s arrest
  - Causing an individual to be subject to a writ of body attachment
  - Garnishing an individual’s wages

Filing a claim in a bankruptcy proceeding is not an Extraordinary Collection Action.

Guarantor – The patient, caregiver, or entity responsible for payment of a health care bill.

Patient Financial Assistance Program - A program designed to reduce the guarantor balance owed. This program is provided to guarantors for whom payment in full or in part of the financial obligation would cause undue financial hardship.

Patient Responsibility for insured patients - “Patient Responsibility” is the amount that an insured Patient is responsible to pay out-of-pocket after the patient’s third-party coverage has determined the amount of the patient’s benefits.

Patient Responsibility for uninsured patients - The amount a patient is responsible to pay after the local AGB percent has been applied.

Third-Party Payer - An organization other than the patient (first party) or health care provider (second party) involved in the financing of personal health services.

Underinsured - An individual who has insurance but is billed total charges for non-covered services according to their benefit plan. Examples include but are not limited to: Medicare self-administered drugs, maximum benefits reached, maternity riders, etc.

Uninsured - Patients who do not have insurance.

POLICY

It is the policy of CPMC to bill guarantors and applicable third party payers accurately, timely, and consistently with applicable laws and regulations.

Itemized Statement
Guarantors may request an itemized statement for their account at any time free of charge.

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Disputes
Any guarantor may dispute an item or charge on their bill. Guarantors may initiate a dispute in writing or over the phone with a customer service representative. If a guarantor requests documentation regarding their bill, staff members will use reasonable efforts to provide the requested documentation to the guarantor within three business days.

Billing Cycle
CPMC’s billing cycle begins from the date of the first statement and ends 120 days after that date. During the billing cycle guarantors may receive calls, statements and letters. Calls may be placed to the guarantor throughout the billing cycle. Below is the schedule of statements and letters:

- A statement is sent to the guarantor when a balance is determined to be owed by the guarantor.
- A follow-up letter is sent 30 days after the date on the statement informing the guarantor that their account is past due.
- A second letter is sent 30 days after the first letter informing the guarantor their account is delinquent.
- A third and final letter is sent 30 days after the second letter informing the guarantor that their account is seriously delinquent, and the account may be turned over to a collection agency.
- At day 120 of the billing cycle a guarantor’s account is placed with a primary collection agency.

Each statement and letter used in our billing cycle contains information regarding payment methods, payment options, financial assistance website, and a contact number for customer service.

PROCEDURE

Non-Guarantor Billing
1. Obtaining Coverage Information: CPMC shall make reasonable efforts to obtain information from Patients about whether private or public health insurance may fully or partially cover the services rendered by the Hospital to the Patient.
2. Billing Third Party Payers: Hospitals shall diligently pursue all amounts due from third-party payers, including but not limited to contracted and non-contracted payers, indemnity payers, liability and auto insurers, and government program payers that may be financially responsible for a Patient's care. CPMC will bill all applicable third-party payers based on information provided by or verified by the Patient or their representative in a timely manner.

Guarantor Billing
A statement and letter series is used to inform the guarantor of an account balance. Each statement and letter contains information regarding payment methods, financial assistance, and a contact number for questions.
1. **Billing Insured Patients:** Hospitals shall promptly bill the guarantor the amount computed by the Explanation of Benefits (EOB) or as directed by the third-party payer.

2. **Billing Uninsured Patients:** Hospitals shall promptly bill the guarantor the amount owed less any applicable self-pay discounts.

### Collection Practices

1. **General Collection Practices:** Subject to this policy, CPMC may employ reasonable collection efforts to obtain payment from guarantors. General collection activities may include issuing guarantor statements/letters, phone calls, and referral of accounts to extended business partners such as but not limited to, pre-collect, early out and bad debt vendors.

2. **Extraordinary Collection Actions:** CPMC and its Collection Agency partners may perform an ECA in the form of credit bureau reporting. The reporting of a guarantor to the credit bureau for non-payment on an amount owed will not be performed until 60 days after the billing cycle has ended. The guarantor will be notified 30 days in advance of reporting to the credit bureau by the Collection Agency partner. Neither CPMC nor its Collection Agency partner may engage in an ECA against guarantors before having made reasonable efforts to determine if they qualify for financial assistance as verified by the Director or Revenue Cycle. Individuals not wishing to apply for assistance under the FAP must have a signed waiver on file.

3. **No ECA’s During the Financial Assistance Application Process:** CPMC and its Collection Agency Partner shall not pursue an ECA from a guarantor who has submitted an application for Financial Assistance. If it is determined the guarantor qualifies for full financial assistance and the guarantor has made a payment, CPMC shall return any amount received greater than $5.00 from the guarantor during the guarantor’s eligibility period. If the guarantor is approved for partial financial assistance, will refund any amount that exceeds the amount the guarantor is deemed to be personally responsible for paying. CPMC will not refund the guarantor any amount less than $5.00. If an applicant qualifies for partial financial assistance, ECA’s will not resume for 30 days from the date the partial financial assistance was approved.

4. **Payment Plans:**

   a. **Eligible Patients:** CPMC and any Collection Agency acting on CPMC’s behalf shall offer guarantors an option to enter into a payment plan agreement. The payment plan agreement allows the guarantor to pay an owed amount over a specified duration of time.
b. **Terms of Payment Plan:**
   - All payment plans shall be interest-free
   - All monthly payments will be based on a mutually agreed-upon amount between CPMC and the guarantor
   - The balance on the account must be paid in full within the agreed upon time period

c. **Declaring Payment Plan Delinquent:** A payment plan may be declared delinquent after the guarantor’s failure to make all consecutive payments. If this occurs, the guarantor will receive a delinquent notice. The notice will be mailed to the last known address of the guarantor. After a payment plan is declared delinquent, CPMC or the Collection Agency may commence collection activities in a manner consistent with this policy.

5. **Collection Agencies:** CPMC may refer guarantor accounts to a Collection Agency, subject to the following conditions:

   A. The Collection Agency must have a written agreement with CPMC.

   B. CPMC’s written agreement with the Collection Agency must provide that the Collection Agency's performance of its functions shall adhere to CPMC’s mission, vision, core values, the terms of the Financial Assistance Policy, and this Billing and Collections Policy.

   C. The Collection Agency must agree to notify the guarantor 30 days prior to initiating any ECA’s. This notice shall include a copy of the plain page summary of the financial assistance policy.

   D. CPMC will maintain ownership of the debt (i.e., the debt is not “sold” to the Collection Agency)

   E. The Collection Agency must have processes in place to identify guarantors who may qualify for Financial Assistance. The Collection Agency must communicate the availability of the Financial Assistance Program and refer guarantors who are seeking Financial Assistance back to CPMC’s Financial Counselors at 540-829-4320 or 540-829-4330 or online at [https://www.novanthealthuva.org/patients--visitors/billing--insurance/culpeper-medical-center.aspx](https://www.novanthealthuva.org/patients--visitors/billing--insurance/culpeper-medical-center.aspx). The Collection Agency shall not seek any payment from a guarantor who has submitted an application for Financial Assistance.

   F. At least 120 days must have passed from when CPMC sent the initial bill to the guarantor on the account.

   G. The guarantor is not negotiating a payment plan or on a payment plan.