

POLICY

Patient Responsible Balance Billing and Collection Policy

This Policy is Applicable to the following Corewell Health sites:

Beaumont Corporate Shared Services, Beaumont Dearborn, Beaumont Farmington Hills, Beaumont Grosse Pointe, Beaumont Medical Group, Beaumont Pharmacy Solutions, Beaumont Royal Oak, Beaumont Taylor, Beaumont Trenton, Beaumont Troy, Beaumont Wayne, Post Acute Care (Beaumont) Corewell Health (Corporate), Big Rapids (Mecosta County Medical Center), Continuing Care, Corporate, Gerber Memorial (Newaygo County General Hospital Association), Ludington (Memorial Medical Center of West Michigan), Outpatient/Physician Practices, Pennock (Pennock Hospital), Reed City (Reed City Hospital Corporation), SH GR Hospitals (Spectrum Health Hospitals), SHMG, Spectrum Health Lakeland (Lakeland Community Hospital Watervliet; Lakeland Hospitals at Niles and St. Joseph Inc.), United/Kelsey (Spectrum Health United; Spectrum Health Kelsey Hospital), Zeeland (Zeeland Community Hospital)

Applicability Limited to:	N/A
Reference #:	13636
Version #:	5
Effective Date:	11/01/2022
Functional Area:	Finance, Revenue Cycle
Department Area:	Finance, Patient Access, Patient Financial Services (PFS)

Notice of Nondiscrimination: It is the policy of Corewell Health and all subsidiary entities to provide quality healthcare to all persons. Corewell Health will not discriminate on the basis of race, color, national origin, citizenship, sex, religion, age, disability, political beliefs, sexual orientation, and marital or family status. Admission and treatment decisions will be based solely on the medical needs of the patient and the capacity and capabilities of the facility to provide the medical care and treatment required. Admission and treatment will not be denied on the basis of ethnicity, color, gender, sex, race, national origin, religion, disability, age, HIV status, veteran or military status, source of payment for services or any other basis prohibited by federal, state or local law. Patients will be treated in a manner consistent with their gender identity. Moreover, National Health Service Corps (“NHSC”)-and Michigan State Loan Repayment Program (“MSLRP”) approved sites will not discriminate in the provision of services to an individual (and will not base program eligibility) on a person’s ability to pay whether payment for those services would be made under Medicare, Medicaid, or CHIP; and will not discriminate on the basis of an individual’s race, color, sex, national origin, disability, religion, age, sexual orientation, or gender identity.

1. Purpose

To ensure the fair and equitable treatment of all Patients and Guarantors with Patient Responsible Balances owed to Corewell Health or any of its subsidiaries. To that end, Corewell Health will not engage in Extraordinary Collection Actions against the Patient and/or Guarantor to obtain payment for care before making Reasonable Efforts to determine whether the Patient and/or Guarantor is eligible for assistance under its Financial Assistance Eligibility Policy (FAP).

Entities will reference associated Documentation contained within this document as applicable
Printouts of this document may be out of date and should be considered uncontrolled.

This Policy is intended to satisfy the requirements in Section 501(r)(6) of the Internal Revenue Code of 1986, as amended, which imposes certain requirements on the Hospitals regarding billing and collection activities with respect to Patients who qualify for financial assistance under the Hospitals' Financial Assistance Policy.

2. Definitions

- 2.1. **Default:** A Patient Responsible Balance that has been attempted to be collected upon by Corewell Health or a delegated third-party which has not been paid in full or enrolled in an agreed upon payment plan after internal collections have been exhausted by Corewell Health or a delegated third-party.
- 2.2. **Extraordinary Collection Actions ("ECA"):** Such actions include commencing a civil action, garnishing a patient's wages and tax returns.
- 2.3. **Guarantor:** An individual who guarantees payment on services received by a Patient at Corewell Health.
- 2.4. **Patient:** An individual who receives services at Corewell Health or one of its subsidiaries.
- 2.5. **Patient Responsible Balance:** Any balance due which is the responsibility of the Patient and/or Guarantor. This includes uninsured balances, co-payments, deductibles, coinsurance, non-covered services, and any balance due after insurance payment that is deemed a Patient and/or Guarantor liability.

If Patient has Medicaid coverage and is responsible for non-covered services (i.e., self-administered drugs, childbirth education), Corewell Health will consider those charges to qualify for a financial assistance judgement.

- 2.6. **Third-Party Collection Vendor:** A contracted company that collects a Patient Responsible Balance in Default on behalf of Corewell Health but performs such collections under its own name following all Federal, State, and local laws and regulations.
- 2.7. **Application Period:** The period during which Corewell Health must accept and process a Financial Assistance Application (as defined in the FAP). The Application Period begins on the date that the first post-discharge billing statement is provided for the care and ends on the 240th day thereafter. (In certain circumstances, as described in this Policy, Corewell Health may be required to accept and process a Financial Assistance Application after the end of the Application Period.)
- 2.8. **Financial Assistance Policy (FAP):** The Corewell Health Financial Assistance Policy that each one of its subsidiaries has established to identify and provide financial assistance to Patients who need help paying their hospital bills.
- 2.9. **Reasonable Efforts:** The actions Corewell Health must take to determine whether a Patient and/or Guarantor is eligible for financial assistance under the Financial Assistance Policy before engaging in any ECA to obtain payment for care, consistent with Internal Revenue Service and U.S. Department of Treasury regulations.

3. Responsibilities

The Patient Responsible Balance Billing and Collection Policy will be administered by appropriately designated Corewell Health personnel as outlined in relevant procedures.

4. Compliance

Violation of this policy by any Corewell Health employee may be subject to potential corrective action.

5. Policy

5.1. Corewell Health will work with Patients and/or Guarantors and any permissible authorized third-party necessary to properly determine and effectuate appropriate resolution for a Patient Responsible Balance. Patient Responsible Balances will be resolved according to this Policy.

5.1.1. Deceased Patients – Empathy to a deceased Patient's family during their time of loss is a priority of Corewell Health. Corewell Health will identify and resolve deceased Patient Responsible Balances as outlined in the Patient Responsible Balance Deceased Patient or Guarantor Procedure. As outlined in this procedure Corewell Health will use public record to verify the date of death, evaluate qualification for financial assistance, Medicaid, and may evaluate filing a claim against the deceased estate.

5.1.2. Bankrupt Patients – Corewell Health complies with the United States Bankruptcy Code. As such, Corewell Health will identify and resolve bankrupt Patient Responsible Balances as outlined in the Patient Responsible Balance Bankruptcy Patient Procedure. Collection and billing activity will cease at the time of bankruptcy notification for all dates of service covered under the bankruptcy filing. Corewell Health and third-party vendor will monitor bankruptcy proceedings until the bankruptcy filing is final or dismissed.

5.1.3. Patients in Need of Financial Assistance – Corewell Health has financial assistance options available to Patients for Patient Responsible Balances pursuant to the FAP. This section specifies the actions that must be taken in various situations in order for Corewell Health to have made Reasonable Efforts to determine if the Patient and/or Guarantor are eligible for financial assistance under the FAP and before Corewell Health may engage in any ECA against an individual.

5.1.3.1. Patients and/or Guarantors will be notified of the FAP in writing as defined in the relevant procedures. Corewell Health will accept financial assistance applications on accounts during all internal collection efforts and when referred to a Third-Party Collection Vendor during the Application Period.

5.1.3.1.1. Submission of Complete Financial Assistance Application.

- If a Patient and/or Guarantor submits a complete financial assistance application during the Application Period, Corewell Health will:
 - Suspend any ECAs
 - Make an eligibility determination as to whether the Patient is eligible for financial assistance and notify the Patient and/or Guarantor in writing of the eligibility determination (including, if applicable, the assistance for which the Patient is eligible) and the basis for this determination.
 - If the Patient is determined to be eligible for financial assistance for the care, Corewell Health will:
 - Provide the Patient and/or Guarantor with a written notification that indicates the Patient and/or Guarantor's financial liability under the FAP;

- Refund to the Patient and/or Guarantor any amount they paid for the care that exceeds the amount they are determined to be personally responsible for paying under the FAP, unless such excess amount is less than \$5 (or such other amount published in the Internal Revenue Bulletin);
- Take all reasonably available measures to reverse any ECA taken against the Patient and/or Guarantor to obtain payment for the care.

5.1.3.1.2. Submission of Incomplete Financial Assistance Application.

- If a Patient and/or Guarantor submits an incomplete financial assistance application during the Application Period, Corewell Health will:
 - Suspend any ECAs to obtain payment for the care.
 - Provide the Patient and/or Guarantor with a written notice that describes the additional information and/or documentation required under the FAP or the financial assistance application form that must be submitted to complete the application and that such information and/or documentation must be received within thirty (30) days from the date of the written notice, or the application will be denied, and collections activity will resume.
 - This notice will include the Corewell Health contact information.
 - If additional information and/or documentation is subsequently received and the account is within the Application Period, the account will again be considered for financial assistance and collections activity will be held until such determination.

5.1.3.1.3. Failure to Submit Financial Assistance Application.

- When no financial assistance application is submitted during the Application Period, Corewell Health may then initiate ECAs to obtain payment for the care once it has notified the Patient and/or Guarantor about the FAP as described herein.

5.1.4. Adjustment for Uninsured Patients – Notwithstanding anything to the contrary in this policy, for hospital services provided to uninsured Patients whose annual income is less than or equal to 250% of the Federal Poverty Guidelines (FPG) and who do not otherwise meet the FAP, Corewell Health shall adjust any charges for such services to no more than 115% of Medicare rates for the same or similar services. Payment of the adjusted charges will be considered as payment in full for the services.

5.1.5. Payment Options – Corewell Health will define and offer payment options available to the Patient and/or Guarantor with a Patient Responsible Balance to enable the Patient and/or Guarantor to resolve their balances as outlined in the Patient Responsible Balance Payment Options Procedure. Payment in full by cash, check, money order, or credit card. Other payment options include internal and external extended payment plans.

5.1.6. Collections – If a Patient Responsible Balance is still outstanding after all the options set forth in 5.1.3.-5.1.5. above have been exhausted, Corewell Health may then refer the unresolved Patient Responsible Balance to a Third-Party Collection Vendor as outlined in the Patient Responsible Balance Billing and Collection Procedure. A minimum of four (4)

Entities will reference associated Documentation contained within this document as applicable
Printouts of this document may be out of date and should be considered uncontrolled.

billing statements will have been sent to the Patient and/or Guarantor, within a minimum of 120 days, prior to referral.

- 5.1.6.1. Corewell Health will not authorize any ECAs to occur within the first thirty (30) days of referral with a Third-Party Collection Vendor.
- 5.1.6.2. Corewell Health will not engage in any ECA against the Patient and/or Guarantor without making Reasonable Efforts to determine the Patient's eligibility under the FAP. Specifically, if Corewell Health intends to pursue ECAs, the following will occur at least thirty (30) days before first initiating one or more ECA:
 - Corewell Health will notify the Patient and/or Guarantor in writing that financial assistance is available for eligible individuals and will identify the ECAs Corewell Health (or its Third- Party Collection Vendor) intends to initiate to obtain payment.
 - Corewell Health will make a Reasonable Effort to notify the Patient about the FAP and how the Patient and/or Guarantor may obtain assistance with the application process.

5.1.7. Mail Returns – Mail returns are processed using the USPS database and corrections made as appropriate. It is the responsibility of the Guarantor to provide a current mailing address at the time of service or upon moving. If the account does not have a valid address, Corewell Health will consider that Reasonable Efforts will have been made.

6. Final Authority

Final authority for determining that Corewell Health has made Reasonable Efforts to determine whether a Patient is eligible for assistance under the FAP and may therefore engage in ECAs against the Patient and/or Guarantor rests with the Senior Vice President, Revenue Cycle or his/her designee.

7. Revisions

Corewell Health reserves the right to alter, amend, modify, or eliminate this policy at any time without prior written notice.

8. References

[Financial Assistance Eligibility Policy](#)
[Patient Responsible Balance Deceased Patient or Guarantor Procedure](#)
[Patient Responsible Balance Bankruptcy Patient Procedure](#)
[PFS - Patient Responsible Balance Payment Options Procedure](#)

9. Policy Development and Approval

Document Owner:

Paula Cersosimo (Administrative Assistant)

Writer(s):

Crystal Lang (Mgr, Patient Financial Services)

Reviewer(s):

Amy Assenmacher (SVP, Finance Revenue Cycle), Courtney Guernsey (VP, Patient Financial Services), Matthew Cox (Chief Financial Officer), Sarah Clark (VP, Registration/Fin Counseling), Steffany Dunker (Managing Counsel)

Approver:

Christina Freese Decker (President & CEO)

Entities will reference associated Documentation contained within this document as applicable
Printouts of this document may be out of date and should be considered uncontrolled.

Attachment A

Notice of Nondiscrimination:

It is the policy of Corewell Health and all subsidiary entities to provide quality healthcare to all persons. Admission and treatment decisions will be based solely on the medical needs of the patient and the capacity and capabilities of the facility to provide the medical care and treatment required. Admission and treatment will not be denied on the basis of ethnicity, color, gender, sex, race, national origin, religion, disability, age, HIV status, veteran or military status, source of payment for services or any other basis prohibited by federal, state or local law. Patients will be treated in a manner consistent with their gender identity. NHSC-approved sites must agree not to discriminate in the provision of services to an individual based on: the individual's inability to pay; whether payment for those services would be made under Medicare, Medicaid, or CHIP; the individual's race, color, sex, national origin, disability, religion, age, sexual orientation, or gender identity.

See the [Patient Rights and Responsibilities](#) policy for further detail.

Corewell Health:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
 - Qualified sign language interpreters
 - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
 - Qualified interpreters
 - Information written in other languages

If you need these services, contact Corewell Health Language Services at: 616.267.9701 or 1.844.359.1607 (TTY:711)

If you believe that Corewell Health has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

- For Legacy Beaumont Health:
Patient Experience Department
26901 Beaumont Blvd
Southfield, MI 48033
947-522-1472
Pfcc@beaumont.org
- For Legacy Spectrum Health Lakeland and Legacy Spectrum Health West Michigan:
Director, Patient Experience
100 Michigan St NE, MC 006
Grand Rapids, MI 49503
616-391-2624; toll free: 1-855-613-2262
patient.relations@spectrumhealth.org

You can file a grievance in person or by mail, or email. If you need help filing a grievance, the Director of Patient Experience is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

Entities will reference associated Documentation contained within this document as applicable
Printouts of this document may be out of date and should be considered uncontrolled.

