

 <b>Palisades Medical Center</b> Hackensack University Health Network	<b>TITLE:</b> Collection Policy
<b>DEPARTMENT:</b> Patient Accounts	<b>DISTRIBUTION:</b> Patient Financial Services/Finance/Admitting
<b>RECOMMENDED BY:</b> Michael Godino, Director of Patient Accounts	<b>APPROVED BY:</b> John Calandriello, Vice President of Finance and Chief Financial Officer
<b>EFFECTIVE DATE:</b> 01/2016	<b>REVISED:</b> 10/2015

### Policy

This Collection Policy (“Policy”) sets forth the Collection policy and procedures of Palisades Medical Center (“Medical Center”). This Policy will be followed in each instance where there is an outstanding balance on an account. It is the Medical Center’s policy for the Patient Accounting Department to bill and follow-up with the proper payer, patient or financially responsible individual of each account with an outstanding balance until the amount owed to the Medical Center is paid in full or all collection efforts have been exhausted

### Purpose

The purpose of the Policy is to establish a system whereby the Medical Center will have constant contact with the responsible party for discharge of the outstanding balance through complete payment of the account. This Policy delineates the procedure by which the Patient Financial Services Department deems accounts eligible for “Bad Debt”. The procedure will ensure that accounts are successfully transferred to a collection agency when the aging and billing criteria for internal collection efforts have been completed. Prior to an account being referred to a collection agency the Medical Center will send the patient, or financially responsible individual, an Extraordinary Collection Action (“ECA”) Initiation Notice (discussed in detail below) and copy of the Plain Language Summary (“PLS”).

The ECA Initiation Notice will be included with the Computer Credit, Inc. letter sent to the patient or financially responsible individual, 94 days from the first post-discharge billing statement. The ECA Initiation Notice will contain the following:

- a. Notice that financial assistance is available for FAP eligible individuals;
- b. Identification of the ECAs the hospital facility intends to take against the individual; and
- c. The deadline of when the hospital facility is allowed to start initiating ECAs.

### Procedure

The Medical Center will not engage in extraordinary collections actions (“ECA”) against a patient or another individual responsible for payment of the patient’s bill for medical care before making “reasonable efforts” to determine the patient’s eligibility under the Medical Center’s “Compassionate Billing and Financial Assistance Policy” (“FAP”).

The FAP, PLS and Application will be conspicuously displayed in the following manner:

- Download the documents from the Palisades Medical Center's website: <https://www.palisadesmedical.org>.
- Paper copies of the FAP, Application and PLS are available upon request by mail, without charge, and are provided in various areas throughout the Medical Center including Main Registration desk, Emergency Room, and Patient Financial Services Department.
- Request documents to be mailed, by calling the Medical Center's Patient Financial Services Dept. at 201-854-5092.
- Visiting in-person (1<sup>st</sup> Floor – Lobby):  
Palisades Medical Center  
Patient Financial Services Department  
7600 River Road  
North Bergen, New Jersey 07047
- Mail completed applications or deliver in person (with all documentation/information specified in the application instructions) to:  
Palisades Medical Center  
Patient Financial Services Department  
7600 River Road  
North Bergen, New Jersey 07047
- Signs or displays will be posted in public locations including Main Registration desk, Emergency Room, and Patient Financial Services offices that notify and inform patients about the availability of financial assistance.
- A PLS will be provided to all patients as part of the patient access/intake process.

### **Reasonable Collection Efforts**

The "Reasonable Collection Efforts" employed by the Medical Center apply to all patients regardless of the patient's insurance status. The Medical Center's efforts to collect outstanding account balances include the issuance of an invoice shortly after discharge, death of the patient or when the account becomes the responsibility of the patient. This is followed by subsequent statements and letters, all amounting to an effort to collect the outstanding account balance.

A patient's account is deemed uncollectible when it has been in a Self-Pay status for at least 120 days after the first post-discharge billing statement to the patient or financially responsible party and no payment activity has occurred. Once an account has been determined to be uncollectible, the Medical Center will notify the patient, or financially responsible party, that the account will be referred to a collection agency.

An exception to this policy is for Denials based on Medical Necessity. In these cases, the Medical Center will contact each patient and request payment concerning the outstanding balance after insurance and third party payments. The outstanding balance includes any portion of the bill declined for payment by third party carriers.

The Medical Center may in certain situations employ ECAs in order to effectuate collection of amounts outstanding from patients or other financially responsible individuals for payment of the patient's bill for medical care including legal action or consumer credit reporting. These ECAs are initiated through one of the Medical Center's collection agencies. These ECAs are only initiated after the 120 day notification period, the ECA Initiation Notice has been sent and reasonable efforts to verbally notify the individual about the Medical Center's FAP and how they may obtain assistance with the application process have been made.

Where an individual has multiple outstanding bills for care and the Medical Center decides to aggregate the multiple bills, an ECA will not be initiated prior to 120 days post discharge billing statement for the most recent episode of care included in the aggregation.

In the event an individual submits a FAP application during or within 365 days after the first post-discharge billing statement, all ECA activities will be suspended until a determination as FAP eligibility is made.

- a. The Medical Center will ensure that an eligibility determination will be made and documented in a timely manner,
- b. The Medical Center will notify the patient in writing of the determination and the basis for the determination,
- c. An updated billing statement will be provided which will indicate the amount owed by the FAP-eligible individual (if applicable),
- d. Any amounts paid in excess of AGB for the FAP-eligible individual will be refunded accordingly (if applicable), and
- e. Reasonable efforts will be made to reverse any ECAs taken against the individuals to collect the debt

If the Medical Center receives an incomplete Application, written notice will be provided to the patient, or the financially responsible individual, outlining the additional information and/or documentation needed in order to determine FAP-eligibility. Patients, or the financially responsible individual, will be given the greater of 30 days or amount of days remaining in the Application Period (365 days from the date of the first post-discharge billing statement) to submit a completed Application including any additional information requested by Palisades.

All statements indicate the availability of the Medical Center's FAP, Charity Care and/or Medicaid as well as a phone number for questions and assistance. The Medical Center's billing system automatically documents and dates all letters and statements.