

BILLING AND COLLECTION POLICY

I. PURPOSE:

This policy applies to Midwest Medical Center and affiliated clinics (collectively “MMC”), and together with the Financial Assistance Policy (FAP), is intended to meet the requirements of applicable federal, state, and local laws including, without limitation, section 501(r) of the Internal Revenue Code and the regulations thereunder. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided by MMC, including extraordinary collection actions. The purpose of this policy is to ensure that MMC’s billing and collection practices are reasonable, fair and consistent, that financially responsible individuals are treated with dignity and respect, and that reasonable efforts are undertaken to determine whether an individual is eligible for financial assistance before engaging in any extraordinary collection actions.

II. DEFINITIONS:

Application Period means the period during which MMC must accept and process an Application for financial assistance. The Application Period begins on the date MMC provides the first billing statement to the Patient and ends 240 days thereafter, unless MMC extends this time period for Patients to submit information and documents required on an incomplete Application submitted during the Application Period.

Extraordinary Collection Action (ECA) means reporting adverse information to credit bureaus and collection actions that require legal or judicial process including filing a collection suit and garnishment proceedings.

Family Income means the adjusted gross income and cash benefits from all sources before taxes of all financially responsible individuals, less payment of child support.

Maximum Charge means the maximum amount MMC bills to persons eligible for assistance under its Financial Assistance Policy. The Maximum Charge is calculated annually and is published in Exhibit A to the MMC Financial Assistance Policy.

Plain Language Summary means a written document that describes the MMC financial assistance programs available, the eligibility requirements, how to apply, and how to obtain more information including copies of the Financial Assistance Policy and Application.

Responsible Individual means the patient and any other Individual(s) having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual.

Self-Pay Account means that portion of an account that is the financial obligation of the Responsible Individual, net payments made by any available health insurance or other third-party payer (including co-payments, co-insurance and deductibles), and net any financial assistance adjustment, if applicable.

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Uninsured Patient means an Illinois resident who is a Patient not covered under a policy of health insurance and is not a beneficiary under a public or private health insurance, health benefit, or other health coverage program including high deductible health insurance plans, workers' compensation, accident liability insurance, or other third party liability insurance.

III. POLICY STATEMENTS

- A. MMC will provide non-discriminatory emergency medical services to patients regardless of their ability to pay.
- B. MMC will not initiate ECA's before making reasonable efforts to determine whether the individual is eligible for assistance under the MMC Financial Assistance Policy and Application.

IV. POLICY

- A. MMC Billing Statements:
 - 1. At least three separate statements for collection of Self-Pay Accounts shall be mailed or emailed (if the Responsible Individual requests email communication) to the last known address of each Responsible Individual, unless the account is sooner resolved. It is the Responsible Individual's obligation to provide a correct mailing address at the time of service or upon moving.
 - 2. All Billing Statements for Self-Pay Accounts will include the following information:
 - a. Dates(s) the health care services were provided to the patient;
 - b. Brief description of the services;
 - c. Amount owed for the services provided;
 - d. Contact information for addressing billing inquiries and disputes;
 - e. A statement of the financial assistance available, the telephone number of the hospital office or department that can provide information about the Financial Assistance Policy and application process, the website address where copies of the Financial Assistance Policy, Application and Plain Language Summary may be obtained, and information regarding how a Responsible Individual may apply for financial assistance;
 - f. All billing statements issued to persons eligible for less than 100% financial assistance will indicate what the person owes and how

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this amount was determined by showing the contractual allowances, discounts or deductions, and describing how to obtain information about how the Maximum Charge was calculated.

- B. MMC Collection Notices will provide a telephone number for the Responsible Individual to inquire about or dispute a bill.
- C. MMC Billing Inquiry Response Times:
 - 1. MMC will return billing phone inquiries to a Responsible Individual no later than two (2) business days after the call is received.
 - 2. MMC will respond to written billing inquiries within ten (10) business days of receipt. For purposes of this section, "business day" means a day on which the MMC billing office is open for regular business.
- D. Out-of-Network Provider Notices: During the admission or as soon as practicable thereafter, MMC will provide insured patients with written notice that:
 - 1. The patient may receive separate bills for services provided by health care professionals affiliated with MMC;
 - 2. If applicable, some hospital staff members may not be participating providers in the same insurance plans and networks as the hospital;
 - 3. If applicable, the Responsible Individual may have a greater financial responsibility for services provided by health care professionals at the hospital who are not under contract with the patient's health care plan; and
 - 4. Questions about coverage or benefit levels should be directed to the patient's health care plan and the patient's certificate of coverage.
- E. Annual Maximum Amount Collected: Responsible Individuals eligible for the Illinois Hospital Uninsured Patient Discounts or MMC Charity Assistance will not be required to pay more than 25% of Family Income in a 12-month period. The 12-month period begins on the first date after June 14, 2012 that eligible discounted medical services were provided. To have this collection cap applied to additional charges incurred during a 12-month period, the Responsible Individual must inform MMC s/he received services previously eligible for financial assistance
- F. Before Referring a Bill to a Collection Agency or Attorney for Collection:
 - 1. MMC will give all Responsible Individuals the opportunity to assess the accuracy of their bill, to apply for financial assistance, and to take advantage of a reasonable payment plan.

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2. For Self-Pay Accounts of UNINSURED PATIENTS:
 - a. If a Responsible Individual indicates an inability to pay the total bill in one payment, MMC will offer a reasonable payment plan. MMC may require reasonable verification of the inability to pay the total bill.
 - b. If circumstances suggest a potential eligibility for financial assistance, MMC will give the Responsible Individual at least 60 days following the date of discharge or receipt of outpatient care to apply for financial assistance.
 - c. If the Responsible Individual agreed to a reasonable payment plan, they failed to make payments to MMC in accordance with that payment plan.
 - d. If the Uninsured Patient informs MMC that s/he has applied for health care coverage under Medicaid, Kidcare or other government sponsored health care programs and there is a reasonable basis to believe the patient will qualify for such program, MMC will confirm the Patient's Application was denied.
3. For Self-Pay Accounts of INSURED PATIENTS: MMC will offer the opportunity to request a reasonable payment plan for the amount personally owed. MMC will give the Responsible Individual a minimum of 30 days from the first post discharge bill to request a reasonable payment plan. If the Responsible Individual requests a reasonable payment plan, but fails to agree to a plan within 30 days of the request, MMC may refer the bill to a Collection Agency or Attorney for Collection.

G. Prerequisites to Pursuing an Extraordinary Collection Action (ECA):

1. MMC will not pursue ECA's against Responsible Parties who have clearly demonstrated they have neither sufficient income nor assets to meet their financial obligations provided they have cooperated in good faith by:
 - a. Providing all requested information and documents needed to determine their eligibility for financial assistance and for reasonable payment plan options; and
 - b. Communicating to MMC any material change in their financial situation that may affect their ability to comply with an agreed upon reasonable payment plan or qualification for financial assistance.

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2. MMC shall not engage in any ECA during the first 120 days following the first billing statement to the patient, and only after MMC:
 - a. Makes reasonable efforts to determine whether the Responsible Individual is eligible for financial assistance under its Financial Assistance Policy; and
 - b. Provides the Responsible Individual with written notice that 30 days after the date of this notice (which must be a deadline more than 120 days after the first billing statement), MMC may initiate ECA's to obtain payment, that describes the ECA's that may be initiated, describes the Financial Assistance Policy, and encloses a Plain Language Summary; and
 - c. Makes reasonable efforts to orally notify the Responsible Individual about the Financial Assistance Policy; or
 - d. MMC has determined the Responsible Person is not eligible for financial assistance on the basis of a completed Application for financial assistance.
 3. Before a collection agency, law firm or individual may initiate ECA's for non-payment of a bill, the MMC Controller/CFO, after reasonably confirming that the conditions for pursuing collection action under the Illinois Fair Patient Billing Act (210 ILCS 88/27) have been met, must provide written approval to initiate legal actions.
 4. ECA's must be suspended while an Application for financial assistance is pending until MMC determines whether the individual is eligible for assistance, and all of the requirements for processing a completed Application under its Financial Assistance Policy are satisfied including notifying the applicant of the eligibility determination. If the Application is incomplete, ECA's may be resumed if the applicant fails to provide the requested missing information or documents within the reasonable time period MMC provides to complete the Application.
- H. If an Incomplete Application is received during the 240 day Application Period: MMC will take the following actions:
- a. Suspend ECA's.
 - b. Provide a written notice to the applicant that describes the additional information or documents required under the Financial Assistance Policy, provides a reasonable deadline to complete the Application, and provides the telephone number and physical location of the hospital office or department that can provide

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information about the Financial Assistance Policy and provide assistance in applying.

- c. If the Application is completed during the 240 day Application Period or, if later, within the reasonable extended time period MMC gives to submit missing information or documents, the Application is timely completed and will be processed.

I. If a Complete Application is received during the 240 day Application Period, including any extended time period MMC gives to supplement an incomplete Application, MMC will take the following actions:

- a. Suspend ECA's.
- b. Make a determination of eligibility for assistance and notify the applicant in writing of the eligibility determination including, if applicable, the assistance available and the basis for this determination.
- c. If the applicant is eligible for less than 100% assistance, provide a billing statement to the applicant that includes all of the information described above in Section IV(A)(2)(g). MMC will not provide \$0.00 billing statements.
- d. Refund any amount the person paid that exceeds the amount personally due as a financial assistance policy-eligible person, unless the refund is less than \$5.00.
- e. Reverse any ECA's taken including vacating judgments and removing adverse information from a credit report.

J. If MMC makes a Presumptive Financial Assistance Eligibility Determination, MMC will notify the person s/he is eligible for 100% financial assistance, provide the basis of the presumptive eligibility determination, and state that no payment is due for the care.

K. Before MMC refers Self-Pay Accounts to a Third Party for Collection, MMC will enter into a written agreement with the party to ensure Applications for financial assistance submitted after referral, but within 240 days of the first post discharge bill, are processed as required under Internal Revenue Code Section 501(r) and that the party engaged complies with all of the collection provisions of Illinois law, federal law and this Policy.

V. POLICY AVAILABILITY

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Responsible Individuals may contact our Business Office at 815-777-1340 or visit www.midwestmedicalcenter.org for information regarding the MMC Financial Assistance Policy, to obtain a copy of the Policy and Application form, or the Billing and Collection Policy in English. Paper copies of these Policies and the Application form financial assistance will be available at our facility located at One Medical Center Drive, Galena, IL 61036 at the Main Registration and Emergency Registration areas.