# EXETER HOSPITAL, INC.

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<b>FUNCTION:</b>	Leadership (LD)	
TITLE:	Debt Collection Policy	
SCOPE:	Patient Accounts	
DEVELOPED BY:	Patient Accounts /Finance	
APPROVED BY: B REVIEWED BY: _	oard of Trustees 06/2016	
EFFECTIVE DATE:	09/2016	ORIGINAL DEVELOPED DATE: 09/2016
REVIEWED DATE( REVISION DATE(S	· ————————————————————————————————————	

# **PURPOSE:**

To establish the Debt Collection Policy in order to be consistent in our treatment when evaluating accounts for submittal to a collection agency. Exeter Hospital's Debt Collection Policy was developed to comply with the Internal Revenue Code Section 501(r) as required under section 9007(a) of the Federal Patient Protection and Affordable Care Act.

This policy only covers accounts with Exeter Hospital. It does not apply to accounts with any other entity or provider, such as physicians or physician practices for professional services provided in Exeter Hospital including, without limitation, radiologists, pathologists, anesthesiologists, emergency care physicians, or other providers.

### **DEFINITIONS:**

**Debtor:** A person that owes a sum of money

Fair Debt Collection Practices: Debt collection practices allowed under applicable state and federal laws that limit the actions of debt collectors who are attempting to collect the debt for another person or entity.

**Guarantor:** A person who agrees to be financially responsible for the patient's debt.

**Pre-collection Notice:** Final written communication regarding the amount past due that provides the debtor 30 days' notice prior to the account being forwarded to a collection agency.

# **POLICY STATEMENTS:**

Exeter Hospital shall not submit an account to a collection agency or pursue other debt collection unless each of the following criteria is satisfied:

- The account has aged over 120 days from first post-discharge billing statement date.
- Exeter Hospital has sent the debtor a minimum of three statements, a pre-collection notice, and a minimum of two phone call attempts to contact the debtor have been made. If a statement is returned as undeliverable, one phone call will be made to attempt to obtain a valid address. If a valid address is not obtained, the account may be turned over to a collection agency prior to the 120 day period and without first sending three statements and a pre-collection notice.
- If a patient applies for financial assistance under the Exeter Hospital Financial Assistance Program any time during the 240 day period following the first post-discharge billing statement date, the account will be placed on hold pending determination of financial assistance. If financial assistance is denied, the patient will be notified in writing and the hold will be released on the account at the collection agency.

Exeter Hospital will only contract with collection agencies that follow Fair Debt Collection Practices and do not engage in extraordinary collection activities.

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TITLE: **Debt Collection Policy** 

#### STEPS IN PROCEDURE:

- 1. Prior to submitting an account to a collection agency, all patients/guarantors must receive a minimum of three statements, a pre-collection notice, and a minimum of two phone call attempts to contact the debtor unless the patient/guarantor has informed Exeter Hospital that they do not want any further contact.
- An Exeter Hospital financial counselor will review the account to ensure all criteria have been met before submitting an account to a collection agency.
- If an account has been sent to a collection agency and the debtor applies for financial assistance under the Exeter Hospital Financial Assistance Program during the 240 day financial assistance application period, the financial counselor will promptly contact the agency to place the account on hold to allow for processing of the application. If it is determined that the patient qualifies for financial assistance, the account will then be closed at the collection agency. If the application is incomplete, the patient/guarantor must submit a completed financial assistance application within the 240 day period. A final notice must be sent to the patient/guarantor giving them 30 days to complete the application before releasing the hold on the account at the collection agency.
- A yearly audit will be performed by the Patient Accounts Manager on accounts sent to collection agencies to monitor compliance with this policy.

# **REFERENCES:**

- 1. Patient Protection & Affordable Care Act, Internal Revenue Code Section 9007(a) Pub. L No. 111-148
- Internal Revenue Code Section 501 (r)
- US Fair Debt and Collection Practices Act 1977, 15 U.S.C.§ 1692 3.

# **CROSS-REFERENCES:**

(LD).326 - Financial Assistance Policy

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