

**Sage Memorial Hospital
Navajo Health Foundation
Billing and Collection Policy**

Pursuant to 501(r) of the Internal Revenue Code

It is the policy of the Navajo Health Foundation – Sage Memorial Hospital (Sage Memorial) to, consistent with general practices of a tribal health organization operating under the Indian Self-Determination, Education and Assistance Act and Indian Health Care Improvement Act, pursue collection of patient balances from patients who have the ability to pay for services. Sage Memorial will make reasonable efforts to identify patients who may be eligible for financial assistance. Collection procedures will be applied consistently and fairly for all patients regardless of insurance status. All collection procedures will comply with applicable laws and Sage Memorial’s mission. For those patients unable to pay all or a portion of their bill, the Financial Assistance Policy will be followed.

Collection agencies and law firms may be enlisted after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts where patients are uncooperative in making payments, have not made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for assistance. Collection agency and law firm staff will uphold the confidentiality and individual dignity of each patient. All agencies and law firms will comply with all applicable laws including the Health Insurance Portability and Accountability Act (HIPAA) requirements for handling protected health information.

Purpose

This policy establishes reasonable procedures regarding the collection of patient accounts, including actions that may be taken by Sage Memorial or contracted external collection agencies and law firms.

Scope

This policy applies to Sage Memorial.

Policy Statements

Extraordinary Collection Actions (ECA)

Actions that Sage Memorial may take, or authorize a collection agency or law firm to take, related to obtaining payment of a bill for medical care include the following:

- Deferring, denying, or requiring a payment before providing medically necessary care because of an individual’s non-payment of one or more bills for previously provided care;
- Placing a patient’s account with the collection agency;
- Selling a patient’s outstanding medical debt;
- Actions that require legal or judicial process including, but not limited to:
 - Commencing a civil action or lawsuit against the patient or responsible individual;

- Garnishing an individual's wages after securing a court judgment;
- Attaching or seizing an individual's bank account, other personal property, or other judgment enforcement action permissible under state law after securing judgment;
- Placing a lien on an individual's property after securing a judgment provided that placing a lien against an individual's personal injury recovery, settlement, compromise, or judgment.

Efforts to Identify Patients Eligible for Financial Assistance

Sage Memorial will notify individuals that financial assistance is available to eligible individuals at least 30 days prior to pursuing collection actions to obtain payment for the care provided by the hospital by doing the following:

- Provide written notice to the individual indicating that financial assistance is available to eligible individuals, indicating the ECAs that Sage Memorial intends to initiate, or have a third party initiate, to obtain payment for the care, and provide a deadline after which actions may be pursued and which is no later than 30 days after the date of the written notice;
- Provide the individual a Plain Language Summary of the Financial Assistance Policy with the written notice; and
- Make reasonable efforts to orally notify the individual about Sage Memorial's Financial Assistance Policy and how the individual may obtain assistance with the financial assistance application process.

Notification Period

Collection actions will not commence for a period of 120 days after the date of the first post-discharge billing statement for the applicable medically necessary or emergency medical care.

Financial Assistance Application Period

The financial assistance application period begins on the date medical care is provided and ends 120 days after the first post-discharge billing statement or 30 days after Sage Memorial or an authorized third party provides written notice of collection actions the hospital plans to initiate, whichever is later. Sage Memorial widely publicizes the availability of financial assistance and makes reasonable efforts to identify individuals who may be eligible. The eligibility criteria and application process are set forth in the Financial Assistance Policy.

If a patient submits a complete financial assistance application during the application period, Sage Memorial will suspend collection actions and make a determination before resuming activities.

Identification of Reasonable Efforts Taken

Prior to engaging in collection actions, Sage Memorial's legal staff will identify whether reasonable efforts were made to determine whether an individual is eligible for financial assistance.

Financial Expectations

Consistent with this policy and the Financial Assistance Policy, Sage Memorial will clearly communicate with patients regarding financial expectations as early in the appointment and billing process as possible.

- Patients are responsible for understanding their insurance coverage and for providing needed documentation to aid in the insurance collection process.
- Patients may be required to pay a pre-services deposit or estimated co-pays and deductibles prior to receiving services (exempt in the Emergency Department and other emergent situations) or amounts may be collected after services are provided, based on the current business practices.
- Patients are generally responsible for paying self-pay balances, including any amounts not paid by insurance companies or applicable third-party payers.
- If the patient has a previous bad debt or an outstanding balance, Sage Memorial may request amounts owed before future appointments are granted. If arrangements cannot be made for resolving the patient's outstanding balance, future non-emergency care may be limited or denied. Pre-service deposits may be required for non-emergency services.

Insurance Collections

Sage Memorial makes every reasonable attempt to collect from all known payers. Patients must sign an authorization allowing Sage Memorial to bill the patient's health plan, insurance company, or any other third-party payer (individually, "Payer" or collectively, "Payers"), and must cooperate with Sage Memorial in a reasonable manner by providing requested information to facilitate proper billing to a Payer. Sage Memorial will maintain and comply with policies and procedures to ensure the timely and accurate submission of claims to all known Payers clearly identified by the patient. If Sage Memorial timely receives the patient's complete and accurate information about the Payer but does not timely submit a claim to the Payer, and the Payer denies the claim based on the untimely filing, the patient will be responsible for only the amount that the patient would be liable to pay had the Payer paid the claim. However, if Sage Memorial determines that it either timely filed the claims or was provided inaccurate or incomplete information, then the patient will be held responsible for the whole amount. Liability insurance is not covered by these Insurance Collections provisions.

Sage Memorial shall not refer any bill to a third-party collection agency or attorney for collection activity while a claim for payment of the services is pending with a Payer. Sage Memorial may refer a bill to a third-party collection agency or attorney following an initial denial or untimely denial of the claim by a Payer. Sage Memorial will not refer any bill to a third-party collection agency or attorney for collection activity when a claim is denied by a Payer due to Sage Memorial's error and such error results in the patient becoming liable for the debt when they would not otherwise be liable. Sage Memorial reserves the right to substantiate that an error has been made. If Sage Memorial determines that an error has not been made, the patient may be held liable.

Self-Pay Balance Resolution

Sage Memorial will employ reasonable procedures in a fair and consistent manner to collect patient self-pay balances while maintaining confidentiality and patient dignity. Financial

assistance will be offered to those patients whose household income does not allow full payment of services within a reasonable time.

- Self-pay collection procedures are followed by Sage Memorial and must fully comply with this policy. Sage Memorial has developed a streamlined process for patients to question or dispute bills, including a phone number patients may call and an address to which they may send written correspondence. The phone number and address shall be listed on all patient bills and collection notices sent by Sage Memorial. Sage Memorial will make reasonable attempts to return telephone calls made by patients as promptly as possible, but in no event later than five business days after the call is received.
- Sage Memorial will consider reasonable payment plans, such as dividing payments over two or three months.
- If a patient has additional services and additional self-pay balances are owed, Sage Memorial will require increases to the patient's current payment plan, based on the patient's ability to pay.

Collection Agency

- Third-party debt collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted. Agencies may help resolve accounts for services where patients are uncooperative in making payments, have not made appropriate payments, or have been unwilling to provide reasonable financial and other data to support their request for assistance.
- Collection agency staff will uphold the confidentiality and individual dignity of each patient. All agencies will meet all HIPAA requirements for handling protected health information.
- When reviewing the account for referral to a collection agency, Sage Memorial staff will confirm that:
 - There is a reasonable basis to believe that the patient owes the debt.
 - All known Payers have been properly billed such that any remaining debt is the financial responsibility of the patient. Where the patient has indicated an inability to pay the full amount of the debt in one payment, consideration of a reasonable payment plan is required provided that Sage Memorial may require the patient to provide reasonable verification of the inability to pay the full amount of the debt in one payment.
 - The patient has been given a reasonable opportunity to submit an application for financial assistance. Particular attention should be given when a patient is uninsured or eligible for relief based on need.
- If a patient submits a complete application for financial assistance after an account has been referred for collection activity, Sage Memorial will suspend collection actions until the patient's application has been processed and it has notified the patient of the determination.

Legal Action

Sage Memorial may pursue legal action against patients who keep insurance payments or settlement proceeds related to the medical services, and patients who refuse to pay a bill and do not appear to be eligible for financial assistance or have not cooperated in the process to make

that determination. Legal follow-up and lawsuit commencement is appropriate and permitted subject to the following:

- There is a reasonable basis to believe that the patient owed the debt;
- All known Payers have been properly billed;
- Where the patient has indicated an inability to pay the full amount of the debt in one payment, Sage Memorial has offered the patient a reasonable payment plan. The patient has been given a reasonable opportunity to submit an application for financial assistance if the facts and circumstances suggest that the patient may be eligible for financial assistance including, that the patient is uninsured or eligible for relief based on need.

Enforcement

It is the policy of Sage Memorial, through adoption of this policy, that this policy apply to all collection staff, collection agencies and attorneys. Any abusive, harassing, or misleading language or conduct by its employees responsible for collecting medical debt from patients and from its debt collection agencies and attorneys and their respective agents and employees will be addressed through corrective action procedures.

Equal Opportunity

When making decisions throughout the collection process, Sage Memorial is committed to upholding the multiple federal, state, and Tribal laws that preclude discrimination on the basis of race, sex, age, religion, national origin, marital status, sexual orientation, disabilities, military service, or any other classification protected by federal, state, or Tribal law.

Confidentiality

Sage Memorial staff will uphold the confidentiality and individual dignity of each patient. Sage Memorial will meet all HIPAA requirements for handling personal health information.