
Billing and Collections Policy

1. POLICY:

- The fundamental purpose of NorthShore – Edward-Elmhurst Health (NS-EEH) is to provide quality health care and health-related services that effectively and efficiently meet the needs of individuals and families who reside in the communities served by NS-EEH. For purposes of this policy, NS-EEH includes the following non-profit hospitals: Evanston Hospital, Glenbrook Hospital, Highland Park Hospital, and Skokie Hospital (collectively, NorthShore), Swedish Hospital, Northwest Community Hospital (NCH), and Edward Hospital, Elmhurst Hospital, and Linden Oaks Behavioral Health (collectively, EEH). Policy differences that apply to specific hospitals, if any, are separately identified.
- This policy describes the actions NS-EEH may take to collect self-pay hospital and physician balances for services provided to NS-EEH patients. This policy also describes the process and time frames associated with those collection activities, the actions NS-EEH may take in the event of nonpayment, and the reasonable efforts NS-EEH must take to determine if a patient is eligible for financial assistance.
- This policy defines how NS-EEH communicates to patients regarding amounts due for services rendered by NS-EEH.
- This policy also defines circumstances in which NS-EEH may write-off patient accounts to bad debt and the process to control and monitor write-offs of patient accounts.
- NS-EEH will not engage in Extraordinary Collection Actions as outlined in section 501(r) of the Internal Revenue Code.
- The policies and procedures state herein are intended to comply with Illinois state regulations and section 501(r) of the Internal Revenue Code and related guidance.
- Final authority to determine whether NS-EEH has made reasonable efforts to determine financial assistance eligibility resides with NorthShore’s Single Billing Office, Swedish Hospital’s Financial Services Center, NCH Financial Counseling, and EEH’s Financial Assistance Department.

2. SCOPE:

This policy applies to self-pay hospital and physician balances for services provided to NS-EEH patients.

3. DEFINITIONS:

Application - Means an application for financial assistance to be completed by a patient.

Application Period - During the application period, NS-EEH will accept and process an application for financial assistance. The application period begins on the date the care is provided to the individual and ends on the 240th day after the date of the first billing statement for the care.

Bad Debt Write-Off - A patient account is transferred to bad debt for amounts deemed to be uncollectible, but the patient has the ability to pay the outstanding balance. This determination is based using established collection criteria and is made only after an account has been billed and appropriate collection follow-up efforts have been taken.

Contractual Adjustment - An adjustment posted to a patient account to reflect the difference between the patient’s total charges at established rates and the actual reimbursement expected from third party payers pursuant to regulations or contractual arrangements.

Extraordinary Collection Actions (ECAs) - These are collection actions requiring a legal or judicial process and can also involve other activities such as selling debt to another party or reporting adverse information to credit agencies or bureaus. NS-EEH does not engage in ECAs, nor does it permit its collections vendors to engage in ECAs.

Financial Assistance - Financial assistance means assistance offered by NS-EEH to patients who meet certain financial and other eligibility criteria as defined in NS-EEH's Financial Assistance Policy (FAP) to help them obtain the financial resources necessary to pay for medically necessary or emergency health care services provided by NS-EEH in a hospital setting. Eligible patients may include uninsured patients, low income patients, and those patients who have partial coverage but who are unable to pay some or all of the remainder of their medical bills.

Plain Language Summary - A plain language summary of NS-EEH's FAP includes: 1) a brief description of the eligibility requirements and assistance offered; 2) a listing of the website and physical locations where financial assistance applications may be obtained; 3) instructions on how to obtain a free paper copy of the FAP; 4) contact information for assistance with the application process; 5) availability of language translations of the FAP and related documents; and 6) a statement confirming that patients who are determined to be eligible for financial assistance will be charged no more than amounts generally billed for emergency or medically necessary services.

Reasonable Efforts - NS-EEH will make reasonable efforts to provide notification to the patient about NS-EEH's FAP by offering the plain language summary of the FAP. In addition, NS-EEH will take the following steps to inform patients about NS-EEH's FAP.

- 1) **Incomplete Applications** - If the patient and/or patient's family member submits an incomplete financial assistance application, NS-EEH will provide a written notification that describes what additional information or documentation is needed.
- 2) **Completed Applications** - If the patient and/or patient's family member submits a complete financial assistance application, NS-EEH will provide written notification that documents a determination on whether a patient is eligible for financial assistance in a timely matter and notifies the patient in writing of the determination (including, if applicable, the assistance for which the patient is eligible) and the basis for this determination. This notification will also include the financial assistance percentage amount (for approved applications) or reason(s) for denial, and expected payment from the patient and/or family where applicable. The patient and/or family will continue to receive statements during the evaluation of a completed application.
- 3) **Patient Statements** - NS-EEH will send a series of statements describing the patient's account and amount due. Patient statements will include a request that the patient is responsible to inform NS-EEH of any available health insurance coverage and will include a notice of NS-EEH's FAP, a telephone number to request financial assistance, and the website address where financial assistance documents can be obtained.
- 4) **NS-EEH Website** - NS-EEH's website will post a notice in a prominent place that financial assistance is available, with an explanation of the financial assistance application process. NS-EEH will post its FAP with a list of providers who are covered and not covered under the FAP, plain language summary, financial assistance application, and billing and collections policy at northshore.org/about-us/billing/financial-assistance or swedishcovenant.org/for-patients-and-visitors/pay-your-bill/financial-assistance or nch.org/billing-insurance/financial-assistance or eehealth.org/patients-visitors/manage-my-costs-and-billing/billing/financial-assistance. NS-EEH will have free paper copies of these documents available upon request in the emergency department and registration areas or by mail by calling (847) 570-5000 for NorthShore or (773) 989-3841 for Swedish Hospital or (847) 618-4542 for NCH or (866) 756-8348 for EEH.

4. PROCEDURE:

- A. **Communications with Patient:** As early in the revenue cycle as possible, patients shall receive written or verbal communications regarding their outstanding balance, as well NS-EEH's payment expectations. All communications with the patient will include a notice about the availability of financial assistance, a telephone number to call for additional information, and the website address where copies of the financial assistance documents can be obtained. NS-EEH will offer a copy of the plain language summary of the FAP to all patients.
- B. **Financial Assistance:** It is the practice of NS-EEH to assist patients in securing reimbursement from available third party resources. Financial counseling will be provided to help patients identify available federal or state healthcare coverage programs which may be available to them, as well as to determine eligibility under NS-EEH's FAP. Collection activity will be placed on hold pending the outcome of these determinations, but patient statements will continue to be sent. For financial assistance through NS-EEH, the **Financial Assistance Policy** describes in detail the criteria used in calculating the amount of the discount, the measures NS-EEH will take to widely publicize the FAP within the community served by NS-EEH, the process used by NS-EEH to determine financial assistance eligibility, and the application process.
- C. **Payment Plans:** NS-EEH offers interest-free, extended payment plans to patients who anticipate difficulty in paying their bill.

- D. *Collection Activities in Event of Non-Payment:* In the event of non-payment, various collection activities will be used based on account balance, third party payer reimbursement liability, patient’s eligibility for governmental funding or financial assistance, patient cooperation, payment or bad debt history, and/or inability to locate the patient. Collection activities may include appeal of a third party payer denial; follow-up communications with the third party payer; statements, letters, and telephone calls to the patient offering financial assistance and/or requesting payment; and final notification to the patient or guarantor that the account is delinquent and subject to being placed with a collection agency no earlier than 120 days from the date of the first statement notifying the patient of the patient balance owed. Legal action may also be initiated by NS-EEH against a third party responsible for delinquent payment of the account.
- E. *Bad Debt:* Accounts may be written off to bad debt only after the account has been final billed to available third party payer(s) and to the patient/guarantor, established billing and follow-up communications have occurred, reasonable efforts have been made to inform the patient of the availability of financial assistance, payment timeframes have expired, and the account has been determined to be uncollectible. Accounts identified as uncollectible are submitted to the NorthShore Single Billing Office, the Swedish Hospital Financial Services Center, NCH Financial Counseling, and the EEH Financial Assistance Department on a regular basis and shall be approved for write-off in a timely manner to expedite referral to a third party collection agency.
- F. *External Collection Actions:* To ensure that only appropriate accounts are written off to bad debt, and only after complete billing and collection efforts have been taken, including appropriate referral to an external firm for collection, the Patient Financial Services team will review bad debt write-offs for approval. Utilizing established collection criteria and approved write-off authorization limits, the NorthShore Single Billing Office, the Swedish Hospital Financial Services Center, NCH Financial Counseling, and the EEH Financial Assistance Department can either approve the write-off or recommend appropriate action. (Accounts are also transferred automatically to an external firm for collection by the patient accounting system, based on established payer, balance, and payment activity parameters).
- G. *Implementation:* It is the responsibility of NorthShore’s Single Billing Office, Swedish Hospital’s Financial Services Center, NCH Financial Counseling, and EEH’s Financial Assistance Department to implement this policy and develop site specific department operating procedures.

5. ATTACHMENT:

None

6. DISTRIBUTION:

Administrative Directives Manual

7. POLICY RESPONSIBILITY:

Senior Vice President, Revenue Cycle

8. REFERENCES:

Internal

External

Administrative Directives Manual: Financial Assistance Policy

Internal Revenue Code Section 501(r)

9. REVISION:

The organization reserves the right to unilaterally revise, modify, review, or alter the terms and conditions of the policy within the constraints of the law, with or without reasonable notice.

10. APPROVAL:

_____ Greg Arnold Signature	_____ Sr. Vice President, Revenue Cycle Title	_____ 6/1/2023 Date
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11. DATES:

Origination: 9/2016 Review: 6/2023 Effective: 6/2023 Next Review: 6/2026