

NORTHERN MONTANA HEALTH CARE POLICY AND PROCEDURE

NUMBER (S): BUS-P15
DEPARTMENT OF ORIGIN: Business Office
SUBJECT/TITLE: NMH Billing and Collections

DATE OF ORIGIN:

CMS/REGULATORY REFERENCE:

- Internal Revenue Code §501(r)(4), §501(r)(5), and §501(r)(6)
- Treasury Regulation §1.501(r)-4 and §1.501(r)-6
- CMS Critical Access Hospital Conditions of Participation
- EMTALA
- Fair Debt Collection Practices Act (FDCPA)

FORM REFERENCE: BUS-P130

POLICY: Northern Montana Health Care (NMHC) shall bill patients and third-party payers accurately, provide information regarding financial assistance programs, offer reasonable payment arrangements, and conduct collection activities in a manner that supports the hospital's mission and regulatory obligations.

PURPOSE: The purpose of this policy is to establish standardized billing and collection practices that promote financial accountability while ensuring patients are treated with dignity, fairness, and respect. NMHC is committed to providing access to medically necessary services regardless of a patient's ability to pay and to comply with all applicable federal and state requirements, including Internal Revenue Code Section 501(r).

DEFINITIONS:

Extraordinary Collection Actions (ECAs): ECAs are actions taken by the hospital against an individual regarding the obtainment of payment for medical care that requires a legal or judicial process or involve reporting adverse information to consumer credit reporting agencies. ECAs include, but are not limited to, liens on property, wage garnishments, bank account seizures, civil lawsuits, credit reporting, and other similar legal collection activities. The hospital shall not engage in any ECA until reasonable efforts have been made to determine whether the patient is eligible for financial assistance under the Hospital's Financial Assistance Policy in accordance with Section 501(r) of the Internal Revenue Code.

Financial Assistance Policy (FAP): A written policy describing eligibility criteria and available discounts or charity care for patients who demonstrate financial need.

Medically Necessary Services: Healthcare services that a doctor or other qualified provider determines are needed to diagnose, treat, manage, or prevent a medical condition, illness, injury, or symptoms, and that follow accepted standards of care.

BILLING:

NMHC shall submit claims to patients' primary and secondary payers promptly, assist patients with insurance-related inquiries, pursue appropriate reimbursement from governmental and commercial payers, and bill patients only for amounts determined to be patient responsibility following payer adjudication.

Patients shall receive clear and understandable statements reflecting services provided, payments received, contractual adjustments, and any remaining patient responsibility.

Information regarding Financial Assistance and billing assistance shall be included in patient billing communications.

FINANCIAL ASSISTANCE:

NMHC maintains a Financial Assistance Policy (FAP) for eligible uninsured and underinsured patients. Patients shall be informed of available charity care, payment discounts, and payment plan options. Collection activities shall be suspended while a completed Financial Assistance application is being reviewed. The Hospital shall make reasonable efforts to determine Financial Assistance eligibility before pursuing Extraordinary Collection Actions (ECAs). NMHC shall maintain a Financial Assistance Policy that is publicly available without charge, and is available in registration, emergency, outpatient, and financial counseling areas, and is available on the hospital website and is provided upon request.

PAYMENT ARRANGEMENTS:

- Reasonable payment plans may be established based on the patient's financial circumstances.
- Interest-free payment arrangements may be offered at the NMHC's discretion.
- Patients are encouraged to contact the Business Office promptly if they are unable to pay their balance in full.

COLLECTION ACTIVITIES:

NMHC shall utilize progressive collection efforts that may include the following:

- Billing statements
- Courtesy reminder calls or letters
- Financial counseling
- Payment plan discussions

BILLING AND COLLECTION SAFEGUARDS:

NMHC shall not

- Deny emergency medical treatment based upon a patient's ability to pay;
- Engage in abusive, deceptive, intimidating, or harassing collection practices; or
- Discriminate against any individual on the basis of race, color, religion, national origin, sex, age, disability, or financial status.
- Initiate ECAs before completing required Financial Assistance review processes.

COLLECTION AGENCIES:

Any external collection agency acting on behalf of NMHC must comply with applicable laws, the Hospital's Financial Assistance Policy, and all billing and collection requirements established under Internal Revenue Code Section 501(r). The Hospital remains responsible for collection activities conducted on its behalf.

ELIGIBILITY:

Patients may qualify for full charity care, partial charity care, sliding-scale discounts, catastrophic balance assistance. Eligibility is determined by using Federal Poverty Guidelines, Household income, Family size, Assets and liabilities, and catastrophic medical expenses.

PRESUMPTIVE ELIGIBILITY:

NMHC may utilize external information sources or screening tools to identify patients who may qualify for financial assistance without a completed application when permitted by law and policy.

COLLECTION TIMELINE:**Day 0-30: Initial Billing**

- Claim submitted to payer.
- Patient receives first billing statement.
- Financial Assistance information provided.

Day 31-90: Early Collection Efforts

- Follow-up statements issued.
- Courtesy calls may be made.
- Payment plans offered.
- Financial counseling available.

Day 91-120: Final Internal Collection Efforts

- Final notice issued.
- Financial Assistance application encouraged.
- Eligibility reviewed when applicable.

Day 120+

Prior to any Extraordinary Collection Action:

- The Hospital must make reasonable efforts to determine FAP eligibility.
- Written notice must be provided describing available Financial Assistance and proposed collection actions.
- Patients must be provided with a reasonable opportunity to apply for assistance.

The VP of Revenue Cycle shall annually review this policy.