

	Type of Policy: Hospital Hospital policies apply to ALL areas EXCEPT Children’s Medical Group (CMG). These policies apply to hospital departments & hospital services, including outpatient services.
	POLICY TITLE: H5449 – BILLING AND COLLECTION POLICY
	Effective Date: October 27, 2022 (Previous Version Date: October 20, 2019)

POLICY:

Billing and Collection Policy:

CHKD has developed this Billing and Collection Policy and procedures for internal and external collection practices (including actions the hospital may take in the event of non-payment, including collection action and reporting to credit agencies) that take into account the extent to which the patient qualifies for financial assistance or discounted care; a patient’s good faith efforts to apply for governmental assistance programs or financial assistance from CHKD; and a patient’s good faith effort to comply with his or her payment agreements with CHKD.

PROCEDURE:

This policy applies to all CHKD Hospital Facilities and certain other providers listed on CHKD’s provider participation list that is available at www.chkd.org/financialassistance.

I. Policy Statement

As described herein, CHKD will not engage in any extraordinary collection actions against an individual to obtain payment for care before reasonable efforts have been made to determine whether the individual is eligible for Medical Assistance or for financial assistance for the care under its Financial Assistance Policy (“FAP”).

II. Definitions

“AGB” means amounts generally billed for emergency or other medically necessary care to individuals who have insurance coverage.

“Application Period” means the period during which CHKD must accept and process an application for financial assistance under its FAP submitted by an individual in order to have made reasonable efforts to determine whether the individual is eligible for financial assistance under the policy. The Application Period begins on the date the care is provided and ends the latter of the 240th day after the date that the first post-discharge billing statement for the care is provided or at least 30 days after CHKD provides the individual with a written notice that sets a deadline after which Extraordinary Collection Actions (ECAs) may be initiated.

“CHKD” means Children’s Hospital of The King’s Daughters.

“ECAs” mean extraordinary collection actions—a list of collection activities as defined by the Internal Revenue Service and the U.S. Treasury that healthcare organizations may only take against an individual to obtain payment for care *after* reasonable efforts have been made to determine whether the individual is eligible for financial assistance. (See Section IV herein.)

“FAP” means CHKD’s Financial Assistance Policy.

“FAP-Eligible Individual” means an individual eligible for assistance under CHKD’s Financial Assistance Policy.

“Hospital Facility” means a facility (whether operated directly or through a joint venture arrangement by a Hospital Organization as described in IRC Section 170(b)(1)(A)(iii)) that is required by the Commonwealth of Virginia to be licensed, registered, or similarly recognized as a hospital. “Hospital Facilities” means collectively, more than one Hospital Facility.

“Medical Assistance” means eligible for benefits under the Virginia or other applicable state Medicaid program.

III. CHKD Collection Process

Generally patient billing statements are generated and mailed to the account guarantor when the balance becomes self-pay. Patient billing is by statement, letters and telephone contact. Patient billing will not exceed 120 days without an established payment plan.

Accounts with an unpaid balance or without an established payment plan are referred to a collection agency or attorney for continued collection efforts. CHKD ensures all collection protocols are met prior to referral to a collections agency or attorney. Approved Charity Care accounts will not be subject to collection activities, but to CHKD’s standard collection protocols subject to other limitations in this Policy.

Patients shall not be sent to collections without having an opportunity and adequate time to develop an alternative payment arrangement pursuant to Patient Financial Services Policy BI PO 085, Payment Plan. CHKD will utilize an equitable payment schedule based on standard CHKD procedures. Guarantors are allowed thirty (30) days from the initial request for payment to respond to the initial bill. In all instances, CHKD will make reasonable efforts to work with the patient to determine an equitable payment schedule considering the patient’s financial and medical circumstance if an application for Charity Care is denied.

CHKD shall report the amount of Charity Care provided in cost and charges in its annual financial statements. The hospital shall file a copy of the hospital’s Charity Care Program with all appropriate local, state and federal agencies as needed. CHKD shall compile reports that

include the total number and dollar amount of Charity Care applications granted and denied and identify the number of inpatient days allocated to Charity Care.

IV. Extraordinary Collection Actions (ECAs)

CHKD will not engage in ECAs before making reasonable efforts to determine whether a patient is eligible for Medical Assistance or for financial assistance under CHKD's FAP. ECAs in which CHKD (or other authorized party) may engage include reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus and commencing civil actions against an individual, which may result in the filing of liens on property or wage garnishment.

"Reasonable efforts" to determine whether a patient is eligible for financial assistance are made when CHKD (i) notifies the patient of this Policy upon admission and in certain written and oral communications with the patient regarding the patient's bill, including invoices and telephone calls before extraordinary collections actions are initiated; (ii) in the case of an individual who submits an incomplete Charity Care Program application, provides the individual with information relevant to completing the application; and (iii) in the case of an individual who submits a complete Charity Care Program application, makes and documents a determination as to whether the individual is eligible for Charity Care, as more fully described herein.

"Reasonable efforts" to determine whether a patient is eligible for Medical Assistance are made by CHKD making Health Benefits Analysts available to screen patients for Medical Assistance eligibility and assist them in Medical Assistance application process.

V. Determining Financial Assistance Eligibility Prior to ECA

CHKD will make reasonable efforts to determine whether individuals are eligible for financial assistance. To that end, CHKD will notify individuals about the FAP before initiating any ECAs to obtain payment for the care and refrain from initiating such ECAs for at least 120 days from the date CHKD provides the first post-discharge billing statement for the care.

CHKD will take the following actions at least 30 days before first initiating one or more of the above ECA(s) to obtain payment for care:

- i. Provide the individual with a written notice that indicates financial assistance is available for eligible individuals, identify the ECA(s) that CHKD (or other authorized party) intends to initiate to obtain payment for the care, and state a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date that the written notice is provided.
- ii. Provide the individual with a plain language summary of the FAP with the written notice described above.

- iii. Make a reasonable effort to orally notify the individual about CHKD's FAP and about how the individual may obtain assistance with the FAP application process.

If CHKD aggregates an individual's outstanding bills for multiple episodes of care before initiating one or more ECAs to obtain payment for those bills, it will refrain from initiating the ECA(s) until 120 days after it provided the first post-discharge billing statement for the most recent episode of care included in the aggregation.

If CHKD defers or denies, or requires a payment before providing, medically necessary care to an individual with one or more outstanding bills for previously provided care, CHKD will provide the individual with a FAP application form and a written notice indicating that financial assistance is available for eligible individuals and stating the deadline, if any, after which CHKD will no longer accept and process a FAP application submitted (or, if applicable, completed) by the individual for the previously-provided care. The deadline will be no earlier than the later of 30 days after the date that the written notice is provided or 240 days after the date that the first post-discharge billing statement for the previously-provided care was provided. CHKD will also provide the individual with a plain language summary of the FAP with the written notice, and make a reasonable effort to orally notify the individual about CHKD's FAP and about how the individual may obtain assistance with the FAP application process. If a FAP application is timely received by CHKD, it will process the application on an expedited basis.

VI. Processing FAP Applications

CHKD will process FAP applications in accordance with the provisions set forth below.

- i. Submission of Complete FAP Application:
 - a. If an individual submits a complete FAP application during the Application Period, CHKD will—
 - i. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
 - ii. Make a determination as to whether the individual is FAP-eligible and notify the individual in writing of the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for this determination;
 - iii. Send an electronic notification to the collection agency and/or collection attorney within five (5) business days of an approval or denial of financial assistance.
 - iv. If CHKD determines the individual is FAP-eligible, CHKD will—

1. Provide the individual with a statement that (1) indicates the amount the individual owes for the care as a FAP-eligible individual (if the individual is eligible for assistance other than free care) and how that amount was determined and (2) states or describes how the individual can get information regarding the AGB for the care.
 2. Refund to the individual any amount he or she has paid for the care (whether to the hospital facility or any other party to whom the hospital facility has referred or sold the individual's debt for the care) that exceeds the amount he or she is determined to be personally responsible for paying as a FAP-eligible individual, unless such excess amount is less than \$5 (or such other amount published in the Internal Revenue Bulletin).
 3. Take all reasonably available measures to reverse any ECA (with the exception of a sale of debt) taken against the individual to obtain payment for the care.
- b. If, upon receiving a complete FAP application from an individual who CHKD believes may qualify for Medicaid, CHKD may postpone determining whether the individual is FAP-eligible for the care until after the individual's Medicaid application has been completed and submitted and a determination as to the individual's Medicaid eligibility has been made.
- ii. Submission of Incomplete FAP Application
- a. If an individual submits an incomplete FAP application during the Application Period, CHKD will—
 - i. Suspend any ECAs against the individual (with respect to charges to which the FAP application under review relates);
 - ii. Provide the individual with a written notice that describes the additional information and/or documentation required under the FAP or FAP application form that the individual must submit to CHKD to complete his/her FAP application.
 - b. If an individual who has submitted an incomplete FAP application during the Application Period subsequently completes the FAP application during the Application Period (or, if later, within a reasonable timeframe given to respond to requests for additional information and/or documentation), the individual will be considered to have submitted a complete FAP application during the Application Period.

VII. Miscellaneous Provisions

- i. **Anti-Abuse Rule** – CHKD will not base its determination that an individual is not FAP-eligible on information that CHKD has reason to believe is unreliable or incorrect or on information obtained from the individual under duress or through the use of coercive practices.
- ii. **No Waiver of FAP Application** – CHKD will not seek to obtain a signed waiver from any individual stating that the individual does not wish to apply for assistance under the FAP, or receive the information described above, in order to determine that the individual is not FAP-eligible.
- iii. **Final Authority for Determining FAP Eligibility** – Final authority for determining that CHKD has made reasonable efforts to determine whether an individual is FAP-eligible and may therefore engage in ECAs against the individual rests with the Patient Account Manager and Director of Patient Financial Services.
- iv. **Agreements with Other Parties** – If CHKD sells or refers an individual’s debt related to care to another party, CHKD will enter into a legally binding written agreement with the party that is reasonably designed to ensure that no ECAs are taken to obtain payment for the care until reasonable efforts have been made to determine whether the individual is FAP-eligible for the care.
- v. **Providing Documents Electronically** – CHKD may provide any written notice or communication described in this policy electronically (for example, by email) to any individual who indicates he or she prefers to receive the written notice or communication electronically.

VIII. Hospital Contact Information

Children’s Hospital of The Kings Daughters-Health Benefits Analyst

601 Children’s Lane

Norfolk, VA 23507

www.chkd.org/financialassistance

charitycare@chkd.org

(757) 668-7141 (Financial Assistance Program inquiries and application assistance)

(757) 668-7105 Customer Service

REFERENCES:

Va. Code Ann. §32.1-137.010

IRC §501(r)(6)

Effective Date: 10/27/2022

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RELATED DOCUMENTS:

Policy BI PO 085, Payment Plan

Policy H3309, Financial Assistance - Charity Care

INDIVIDUALS REVIEWING:

Kathryn J. Abshire, Senior Vice President / Chief Financial Officer

Kimberly S. Day, Vice President, General Counsel

Amy McClanan, Director, Patient Financial Services

POLICY OWNER: Terrie Pyeatt, Vice President, Finance