

**HUNTSVILLE MEMORIAL HOSPITAL  
REVENUE CYCLE**

<b>POLICY TITLE:</b> COLLECTION OF ACCOUNTS	<b>POLICY NUMBER:</b> 9060.104
<b>ORIGINAL ISSUE DATE:</b> 02/16/2020	<b>APPROVED BY:</b>  Anna Smith _____ 02/16/2020 Executive Director, Revenue Cycle      Date
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**POLICY**

Hospital is committed to treating all patients equitably, with dignity, respect, and compassion. Hospital shall pursue its collection policy fairly and consistently in compliance with the Federal Fair Debt Collection Practice and state collection laws. All patients will be treated with dignity and respect in regards to collection activities. This policy shall apply to the Hospital’s collection process and to outside agencies performing collection activities on behalf of Hospital.

**PROCESS**

1. Financial Counseling and/or Payment Plans

Hospital will review patient’s financial record prior to initiation of collection activities to determine whether a payment plan has already been arranged with the patient pursuant to financial counseling at admission or discharge. If the patient is uninsured and such an offer has not been made, hospital shall present to the patient the option of financial counseling and work with patient to determine whether the patient is eligible for financial assistance, or a payment plan.

2. Staff Education

The hospital’s billing and collection staff will be trained to administer this policy and provide assistance to the patient. Medicare and non-Medicare patients will be treated in a similar manner.

3. Timeliness

A bill shall be issued in a timely manner after discharge or death to the party responsible for the patient’s financial obligations.

4. Future Services

Patient shall not be denied future emergency services at the hospital based on outstanding account balances.

5. Documentation of Collection Effort

Hospital shall document all collection efforts in the patient's financial record including:

- a. Subsequent billing records;
- b. Collection letters;
- c. Correspondence communicating the availability of financial counseling to patients unable to meet their debt obligation;
- d. Correspondence evidencing subsequent attempts at collection; or documentation on individual patient accounts
- e. Logs or documentation on individual patient accounts of all telephone calls to patients; and
- f. Logs or documentation on individual patient accounts of all personal contacts with patients.

6. Referral to Collection Agency

- a. After insurance pays the hospital, the patient will receive a statement that details the total hospital charges, amount of insurance payment, and the amount the patient owes. If the patient does not pay the amount they owe within 14 days after insurance payment is received, the patients account may be placed with an external collection agency for follow up. If payment is not received by the collection agency within 120 days, the account may be reported as delinquent to the credit bureau.
- b. Accounts that remain unpaid following exhausted internal collection attempts may be sold to an external collection company. If the patients account is sold to an external collection company, Huntsville Memorial Hospital no longer owns the debt, and we will not be able to assist the patient with payment arrangements, nor will we have the authority to discuss the account balance with the patient.
- c. Prior to the engagement of any collection agency, Hospital shall ensure that a written agreement is in place. Such agreement shall require the agency to abide by Hospital's collection policy. Any agencies whom the Hospital has contracts with must be appropriately bonded and insured.
- d. Hospital shall only refer patient account to collection agencies, that the Hospital has a valid agreement in place.
- e. Collection efforts must allow the patient appropriate time to dispute their obligation. Collection agency shall cease collection efforts while

a patient's balance is in dispute. All disputed accounts shall undergo an appropriate investigation. Under no circumstances will a collection agency make a report to a credit agency without disclosing that the patient has disputed their obligation to Hospital.

- f. Pursuant to the agreement, Hospital shall have the right to withdraw any account from the agency at any time and for any reason.

7. Legal Action

- a. Hospital recognizes its right to initiate legal action where there is evidence that the patient or responsible third party has income or assets to meet his or her obligation.
- b. If Hospital chooses to engage a law firm, hospital shall enter into a written engagement agreement prior to referring any matter to the firm for collection.
- c. A lawsuit may be filed against a responsible party only in those situations where there is evidence that the responsible party has or will likely have in the future income or assets to meet his/her debt obligation.
- d. Prior to the filing of any lawsuit, the law firm shall send written notice to the responsible party of its intent to institute legal action to collect the account.
- e. The Hospital's chief financial officer shall have final authority to approve any settlement of a lawsuit.

8. Sold Accounts

Accounts that remain unpaid following exhausted internal collection attempts may be sold to an external collection company. If the patients account is sold to an external collection company, Huntsville Memorial Hospital no longer owns the debt, and we will not be able to assist the patient with payment arrangements, nor will we have the authority to discuss the account balance with the patient.

**REFERENCE**

Billing Disclosure, English and Spanish  
 Financial Assistance Policy - Walker County Indigent Care Program  
 Financial Assistance Policy - Charity Care Program  
 Point of Service Collections, Discounts, and Financial Arrangements

Review/Revised Date:	Title:	Description of Change or Location of Change in Document