I. POLICY

Northwest Hospital & Medical Center's (NWHMC) mission is to engage in the art and service of delivering quality health care services to the residents of the North Seattle Community. To accomplish this mission the hospital requires a collection policy that:

A. Fosters timely payment of the services provided.
B. Is sensitive to each patient's individual financial circumstances.
C. Offers flexible and sufficient options for patients to meet their financial obligations.

This policy will guide the Patient Financial Services (PFS) staff when working with patients. The Director of Patient Financial Services or the Director of Financial Operations will facilitate or conclude decisions for situations not defined by this policy.

For the purposes of this policy the term 'patient' will be used to refer to the actual patient or any other party who may be legally responsible for account payment.

II. SUMMARY POLICY STATEMENT

It is the policy of NWHMC to expect full payment for services provided. Full payment is due from the patient upon receipt of initial post-discharge billing for non-insurance covered balances unless arrangements are made with the Patient Financial Services Department.

A. Options to Clear an Accounts Receivable

There are 8 options to clear the accounts receivable:

OPTIONS	POLICY REFERENCE
Charge Reversal	Charge Policy
Contractual Adjustment	Insurance Contract
Charity	Financial Assistance Policy
Administrative/Other Adjustment	Adjustment Policy
Insurance Payment	Collection Policy
Patient Payment	Collection Policy
Bad Debt - Non-Agency/Other	Collection Policy
Bad Debt – Collection Agency	Collection Policy

B. Patient Financial Screening:

Patients will be screened to determine financial responsibility during pre-admission or during admission/registration, however, patients presenting for emergency medical conditions will be treated and stabilized prior to financial screening. It is expected that patients will provide honest and complete data from which staff will establish the patient's payment participation. Once the patient's responsibility is determined, staff is obligated to notify the patient promptly.

Financial screening includes some or all of the following tasks:

1. Collecting financial demographic information.
2. Determining insurance eligibility and benefits.
3. Completing a Confidential Financial Information Form.
4. Obtaining insurance authorization numbers and referrals.
5. Establishing a plan with the patient to clear account balances.

6. Collecting deposits based on deductibles and co-insurance amounts as allowed by the patient's insurance plan.
7. Reviewing patient's past payment history at NWHMC.

C. Collection of Deposits:

Based on financial screening and estimated self-pay balances, it is the policy of NWHMC to request deposits and estimated insurance co-pay balances as soon as the amount can be determined or as allowed by the patient's insurance plan. Accounts may be set up for patients to pre-pay for their care. Payments may also be collected during the period of care or at discharge. In the Emergency Room, deposits are to be requested only after medical services have been provided and patient is stabilized. All payments are to be requested with sensitivity, consistent with all hospital policies.

Cosmetic or non-medically necessary services are to be paid in full in advance of service. Special circumstances may warrant an exception to payment in full but must be approved by the Director of Patient Financial Services/Patient Access.

D. General Collection Framework:

All account balances are due upon receipt of first post-discharge billing with the following self-pay exceptions:

1. Payment Plan arrangements, consistent with this policy, have been made.
2. Additional financial screening is being conducted.
3. Hospital billing errors, delays, or unresolved billing disputes exist.
4. Patient balances cannot easily be determined due to unpaid insurance claims.

E. Insurance Billing Policy:

NWHMC Patient Financial Services will bill state, federal and contracted insurance plans. Other payment sources will be billed whenever the patient provides necessary data.

F. Patient Balances:

Patient pay accounts are payable upon receipt of initial post-discharge billing, unless other arrangements are made with Patient Financial Services. We do not hold the patient responsible for the bill until we have resolved all issues with the insurance carriers, including appeals of denials. We act as a patient advocate to secure insurance payment before the claim is changed to self-pay; however, we cannot accept responsibility for the insurance claim or negotiate settlement of a disputed claim.

Quality of care and billing accuracy issues are to be resolved as quickly as possible and prior to enforcing collection standards.

All patients who indicate financial hardship are to be screened for Financial Assistance and/or possible Medicaid coverage. Financial Assistance may be granted any time, even after collection agency assignment.

III. OPTIONS AVAILABLE FOR PATIENT PAY BALANCES

A. Methods of Payment:

NWHMC accepts cash, check, or Visa/MasterCard for payment. Credit card payments are accepted by phone or by using the on-line bill pay option. Patient portions are due upon receipt of initial post-discharge billing unless payment arrangements are made or an application for Financial Assistance has been submitted.

B. Payment Plans:

Payment arrangements are established upon patients' request with the Patient Financial Services Department. Typically, this would allow up to 12 months of equal payments, longer if approved circumstances apply.

1. Confidential Financial Form (CFF) approval required for payment arrangements extending beyond 12 months.

C. Collection Agency Referrals:

Collection Agency referrals are appropriate if a patient is unwilling to commit to financial arrangements, breaks his/her financial commitment, does not forward insurance proceeds to the hospital, or has a non-repayment history with NWHMC (Collections Referral Criteria). Patient accounts are turned over to a collection agency upon the Customer Service Supervisor's review and approval at 120 days after the first post-discharge bill is mailed to the patient/guarantor.

There are specific circumstances which allow the department to refer the account to a collection agency prior to 120 days from the first post-discharge billing:

1. Financial Assistance eligibility has been determined and the individual has been notified regarding his/her reduced balance or ineligibility for Financial Assistance but is unwilling to commit to financial arrangements (or meets at least one of the Collections Referral Criteria listed above.
2. Patient has been notified of presumed eligibility for less than the full amount of care, and of his/her right to submit an application for additional Financial Assistance, but fails to do so within the reasonable time frame provided.
3. No payment plan agreement made – Patients/guarantors who do not accept one of the offered payment plans will be referred to a collection agency with the proper notice.
4. No response to letters or calls - If it appears that a patient is receiving mailed bills and statements and does not respond to the hospital, the account may be assigned 90 days after service, provided the patient has received appropriate notice of the hospital's intent to assign the account.
5. Agreement not maintained - Patients who make less than the prescribed payment or miss a payment may be referred to the agency with proper notification.
6. Patient is judged a skip - Patients who do not leave a correct or complete avenue for contact may be assigned to the agency immediately upon such determination. Skip tracing should be attempted to determine that a registration error did not occur.
7. Patient has poor payment history - Patients with a history of non-payment with the hospital (e.g., has other agency accounts) may be assigned in less than 90 days, provided they receive appropriate notification.
8. Prior patient defaults - Patients who break successive agreements do not require additional notification prior to agency referral, provided they were previously notified that another default would result in automatic assignment.

The accelerated collection agency placement may be halted if PFS staff determines that the patient circumstances warrant such action.

D. Extraordinary Collection Actions (ECAs):

Patient Accounts shall not be subjected to any ECAs[1], either by NWHMC or the collection agency to which they are assigned, until the following have occurred:

1. Reasonable efforts have been made to determine Financial Assistance eligibility. Reasonable efforts include the following[2];
   a. Patient is offered a plain language summary of the Financial Assistance Policy and an application for Financial Assistance prior to discharge and offered assistance in completing the application;
   b. If an incomplete application is received, written notification of missing information/documents is sent to patient including notification of any ECAs Hospital (or Hospital's agent) may initiate or resume if application or payment is not received by a specified deadline[3];
   c. All billing statements contain a conspicuous notice regarding the availability of Financial Assistance with a phone number to call for information/ assistance and the direct Web site address where copies of the Financial Assistance documents may be obtained;
   d. Completed applications for Financial Assistance are processed in a timely manner and patient is notified in writing of the determination, provided an updated billing statement if a balance remains, and refunded any overpayment.
   e. Hospital may meet the reasonable efforts requirement by determining a patient eligible for the most generous Financial Assistance available based on information that established the patient's eligibility for one or more means-tested public programs.
   f. Hospital may choose to grant Financial Assistance to a patient who has failed to fully provide the information/documentation requested on the Financial Assistance Application.

2. 120 days have elapsed since the first post-discharge billing statement; and

3. The following notification requirements have been met (at least 30 days prior to initiation of the ECA):
   a. Written notification sent notifying of Financial Assistance availability;
   b. Provision of a plain language summary of the Financial Assistance Policy;
   c. Notice of the action(s) to be taken upon nonpayment have been provided;
   d. Notice of the date after which the action(s) will be taken if payment is not received; and
   e. Attempts made to verbally discuss the Financial Assistance Policy and application for Financial Assistance with the patient.

[1] ECAs include reporting individual to a credit agency, foreclosing on real estate, attaching bank accounts, commencing civil actions, garnishing wages and requiring payment or deposit prior to providing medically necessary care.

[2] Hospital will not have made reasonable efforts to determine eligibility simply by obtaining a signed waiver from the patient, nor will Hospital be considered to have made reasonable efforts if Hospital determines ineligibility based on information it has reason to believe is unreliable or incorrect or is obtained from the patient under duress or through coercion.

[3] Any ECAs initiated are suspended.

4. Credit reporting may occur 150 days after the first post discharge billing.

5. Lawsuits for past due balance may not be filed prior to 240 days after the first post discharge billing.

6. The Director of Patient Financial Services/Patient Access decides that sufficient effort has been made to determine patient's eligibility for Financial Assistance.

IV. PROMPT PAYMENT SELF-PAY DISCOUNT POLICY:

The hospital collection policy is clarified as follows to allow maximum flexibility for patient billing department to negotiate payment arrangements and meet the needs and expectations of our patients. The specified discount below is granted primarily in return for prompt payment from patients with no insurance coverage for services received.

A patient/guarantor with no insurance coverage for services provided will be offered a thirty (30) percent discount when paying his/her bill within thirty (30) days of billing. However, the prompt pay discount does not apply to NWHMC Packaged Pricing Programs (for example, Cosmetic services, and specialty surgery), or to patients/guarantors granted charity/financial assistance.

Patient Access locations, including the emergency room and admissions areas of the hospital, will provide information regarding payment options to all private pay patients. These payment options include this prompt pay discount, Financial Assistance availability, and contact information to assist with Medicaid applications.

V. EQUAL TREATMENT OF ALL PATIENTS/GUARANTORS:

Northwest Hospital and Medical Center processes patient accounts in a manner consistent with this collection policy. Under no circumstances is age, race, color, religion, sex, sexual orientation or national origin considered in applying this policy.

A copy of this policy, as well as copies of the Financial Assistance Policy, Financial Assistance policy summary and application for Financial Assistance may be obtained by contacting Patient Financial Services at the following:

UW Medicine/NW Patient Financial Services
10330 Meridian Ave. N, Suite 260
Seattle, WA 98133

206/668-6440 or toll free at 877/364-6440

nwhospital.org/visitorinfo/billing/asp

Reviewed: 10/05, 9/06, 8/07, 11/07
Revised: 6/92, 7/93, 3/96, 6/01, 9/06, 8/07, 11/07, 2/11, 3/13, 3/15, 4/16, 10/17

Operational Responsibility/Approval:
Director, Patient Financial Services, and Senior Director of Revenue Cycle & Chief Financial Officer
For Executive Leadership team: Senior Vice President of Operations
For Executive Leadership team: Vice President for Clinical Services/CNO