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## Billing and Collections Policy

The Billing and Collection (B&C) policy supports Brown University Health’s goal of assisting patients with the complexities of billing third-party insurers, providing patient specific payment options, reviewing patient’s eligibility for coverage assistance and financial assistance, and taking actions concerning amounts due for services.

### Purpose

The purpose of the Patient Billing and Collections Policy is to establish clear and consistent guidelines for conducting billing and collection functions. This policy along with the Financial Assistance Policy is intended to meet the requirements of applicable federal, state, and local laws, including, without limitation, section §501(r) of the Internal Revenue Code of 1986, as amended, and the regulations there under. This policy establishes the actions that may be taken in the event of nonpayment for care provided by Brown University Health, including but not limited to extraordinary collection actions.

Brown University Health’s policy is to provide care for emergency medical conditions regardless of the patient’s ability to pay and without consideration of the patient’s prior payment history. Brown University Health does reserve the right to take collection actions as permitted by law concerning balances due from either the patient or third-party insurer.

### Scope

This policy applies to services received at the following Brown University Health Facilities:

Rhode Island Hospital	Coastal Medical Physicians Inc dba Brown Health Medical Group, Primary Care
Hasbro Children’s Hospital	Lifespan Physician Group, Inc.dba Brown Health Medical Group
Newport Hospital	Lifespan Physician Group Of Massachusetts, Inc. dba Brown Health Medical Group Massachusetts
The Miriam Hospital	Radiosurgery Center of Rhode Island, LLC.
Emma Pendleton Bradley Hospital	Gateway Healthcare, Inc
Lifespan of Massachusetts - Fall River dba Brown University Health Saint Anne's Hospital	Lifespan of Massachusetts - Taunton dba Brown University Health Morton Hospital

## **Guiding Principles**

- To treat all patients equitably and with dignity, respect, and compassion;
- Serve the emergency health care needs of all patients, regardless of ability to pay;
- Treat all patients and individual(s) responsible equally with dignity and respect and to ensure appropriate billing and collection procedures are uniformly followed and to ensure that reasonable efforts are made to determine whether the individual responsible for payment of all or a portion of the patient account is eligible for assistance under the Financial Assistance Policy(FAP); FAP policy may be found at <https://www.brownhealth.org/patients-visitors/insurance-billing-and-financial-assistance/financial-assistance>
- To comply with third-party insurer policies and State and Federal regulations related to billing and collection;
- To assist the patient in navigating the complexities of seeking reimbursement from third-party insurers; and
- To establish a billing and collection process consistent with industry standards.

## **GLOSSARY:**

- §501(r): means Section 501(r) of the Internal Revenue Code and the regulations promulgated there under.
- Amounts Generally Billed (AGB): Per Treasury Regulations §1.501(r)-5(a)(1), a hospital must limit the amount charged for care provided to any individual who is eligible for assistance under its financial assistance policy to not more than amounts generally billed (AGB) in the case of emergency and other medically necessary care. Brown University Health calculates an (AGB) based on the prospective method and sets its AGB limit at the total amount that Medicare fee-for-service allows for care, including the amount reimbursed by Medicare and the amount the beneficiary is personally responsible for paying.
- Application Period: The period during which Brown University Health must accept and process an application for financial assistance under the FAP. The Application Period begins on the date the care is provided and ends on the 240th day after the Brown University Health provides the first post discharge billing statement.
- Bad Debt: The cost of providing free or discounted care to persons who are able but unwilling to pay all or some portion of the medical bills for which they are responsible.
- Bankruptcy: a legal proceeding initiated when a person or business is unable to repay outstanding debts or obligations
- Billing Deadline: The date after which Brown University Health or collection agency may initiate an extraordinary collection action (ECA) against a Responsible Individual(s) who has failed to submit an application for financial assistance under the FAP. The Billing Deadline must be specified in a written notice to the Responsible Individual(s) provided at least 21 days prior to such deadline, but no earlier than 120 days after the first post discharge statement.

- **Completion Deadline:** The date after which Brown University Health or collection agency may initiate or resume an ECA against an Individual(s) who has submitted an incomplete FAP if that Individual(s) has not provided the missing information and/or documentation necessary to complete the application or denied application. The Completion Deadline must be specified in a written notice and must be no earlier than the later of (1) 30 days after Brown University Health provides the Individual(s) with this notice; or (2) the last day of the Application Period.
- **Deceased:** Responsible Individuals who have died.
- **Elective:** Services that, in a physician's opinion, are not needed or can be safely postponed.
- **Extraordinary Collection Action (ECA):** Any action against an Individual(s) responsible for a bill related to obtaining payment of a Self-Pay Account that requires a legal or judicial process or reporting adverse information about the Responsible Individual(s) to consumer credit reporting agencies/credit bureaus. ECAs do not include transferring of a Self-Pay Account to another party for purposes of collection without the use of any ECAs.
- **External A/R:** Patient Liability that Brown University Health has assigned to its third-party Legal Firm.
- **FAP-Eligible Individual(s):** A Responsible Individual(s) eligible for financial assistance under the FAP without regard to whether the Individual(s) has applied for assistance
- **Financial Assistance Policy (FAP):** Brown University Health's Financial Assistance Policy, which includes eligibility criteria, the basis for calculating charges, the method for applying the policy, and the measures to publicize the policy, and sets forth the financial assistance policy
- **Guarantor:** The person or entity who is financially responsible for the patient.
- **Income:** Earnings over a period of time used to support an individual/household unit. Income includes, wages, salaries, self-employment income, unemployment compensation, worker's compensation, payments from Social Security, public assistance, veteran's benefits, child support, alimony, survivor's benefits, pensions, retirement income, regular insurance and annuity payments, income from estates and trusts, rents received, interest/dividends, and income from other miscellaneous sources. Income does not include assets which are fixed economic resources such as checking/savings accounts, stocks/mutual funds, retirement accounts, certificate of deposits and real estate.
- **Liquid Asset:** An asset that can be converted into cash in a short time, with little or no loss in value. Examples include checking accounts, saving accounts, insurance policies (cash value), stocks, CD's, mutual fund accounts, and 401K's/IRA's (minimum retirement age must be reached to be considered liquid)
- **Medically Necessary Care:** is defined in Rhode Island's Medicaid Provider Reference Manual as medical, surgical, or other services required for the prevention, diagnosis, cure or treatment of a health-related condition including such services necessary to prevent a decremental change in either medical or mental health status.
- **Patient Liability:** The financial responsibility that is due to the facility/provider as a result for receiving health care services; the amount is determined according to a patient's insurance benefits for the specific scheduled service; including deductibles, co-payments, co-insurance, and non-covered services.

- Plain Language Summary: A written statement that notifies an Individual(s) that Brown University Health offers financial assistance under the FAP for inpatient and outpatient hospital services and contains the information required to be included in such statement under the FAP.
- Patient Financial Services (PFS): The operating unit of Brown University Health responsible for billing and collecting Self-Pay Accounts.
- Responsible Individual(s): The patient and any other Individual(s) having financial responsibility for a Self-Pay Account. There may be more than one Responsible Individual(s).
- Self-Pay Account: The portion of a patient account that is the Individual(s) responsibility of the patient or other Responsible Individual(s), net of the application of payments made by any available healthcare insurance or other third-party payer (including co-payments, co-insurance and deductibles), and net of any reduction or write off made with respect to such patient account after application of an Assistance Program, as applicable.
- Third-party Insurers: Any party insuring payment on behalf of a patient, including insurance companies, workers' compensation, governmental plans such as Medicare and Medicaid, State/Federal Agency plans, Victim's Assistance, or third-party liability resulting from automobile or other accidents
- Uninsured: Patients who are not covered by a third-party insurer
- Under-insured: Patients who are covered under a third-party insurer but do not have adequate coverage often resulting in large out-of-pocket expense.

## **Billing and Collection Practices:**

### **Pre-Service & Financial Clearance**

Brown University Health requires patients to pay based on their ability to pay all or a portion of the patient's estimated balance for medically necessary services prior to the scheduled service. Brown University Health's Pre-Service & Financial Clearance team may contact the patient to obtain third-party insurance and other information needed to bill for services and may provide an estimate of the patient's out-of-pocket expenses. For insured individuals, the estimate is based on the determination of the patient specific third-party coverage for the services.

### **Collecting Patient Information**

- Brown University Health Registration staff will obtain demographic and financial/insurance information, including specifics as to the types of available coverage available, prior to or at the same time services are rendered.
- Patients may be requested to provide identification such as driver's license, telephone numbers, including cell phones, email addresses, etc. to ensure accuracy of demographics and will be asked to provide proof of insurance by presenting a valid insurance card.
- Brown University Health will make a reasonable effort to verify patient supplied information when services are scheduled or at the time the patient receives services.
- Brown University Health reserves the right to utilize outside agencies to help pursue payment for services

### **Patient Responsibilities**

- It is the patient's responsibility to provide Brown University Health with accurate information regarding health insurance (including primary and secondary carriers), address, and applicable financial resources to determine whether the patient is eligible for coverage through private insurance or through available public assistance programs. The patient is expected to assign benefits due from any insurance carriers.
- The patient has the responsibility to obtain provider physician referral(s) or other authorizations and may be responsible for unpaid claims resulting from failure to obtain these items.
- The patient must inform their insurance carrier or other responsible party of any changes to their coordination of benefits.
- In the event of a denial from the insurance carrier or their responsible party, the patient is expected to help Brown University Health in any appeal as necessary.

#### **Establishing Patient Financial Responsibility**

- Brown University Health will make reasonable efforts to identify third-party payors to assist patients in resolving their bills. Brown University Health will also take the following actions:
  - Validate that the patient owes the unpaid bills
  - Collect all amounts permitted from third party payors
  - Work with patients towards resolution of outstanding insurance claim payment issues
  - Inform patient of, and provide them with reasonable assistance in applying for financial assistance offered through Brown University Health's Financial Assistance Policy
  - Invoice patients for the amount of the cost of services for which they have a financial responsibility after the steps outlined above have been taken.

#### **Insurance Billing:**

- For all insured patients, Brown University Health will bill applicable third-party payors in a timely manner
- If a claim is denied (or is not processed) by a payer due to an error of Brown University Health, Brown University Health will not bill the patient for any amount in excess of what the patient would have owed had the payor paid the claim
- If a claim is denied (or is not processed) by a payer due to factors outside of Brown University Health control, staff will follow up with the payor and patient as appropriate to facilitate resolution of the claim. If resolution does not occur after prudent follow-up efforts, Brown University Health may bill the patient or take other actions consistent with current regulations and industry standards.

#### **Patient Billing:**

- Brown University Health will take reasonable steps to ensure that no collection actions, include telephone calls, statements or letters, are initiated for those patient balances that may be exempt from collection action by regulation, include patients determined to

qualify for financial assistance through the Brown University Health Financial Assistance Program.

- All Patients will be offered a Plan Language Summary and application form for financial assistance under the FAP as part of the discharge or intake process from a hospital.
- All uninsured patients will be billed in a timely manner with the discounts outlined in the Brown University Health Financial Assistance Program Policy
- For Insured Patients, after claims have been processed by third-party payers. Brown University Health will bill patients in a timely manner for their respective liability amounts as dictated by their insurance benefits.
- Brown University Health will send patients a monthly Guarantor Statement detailing previous balances and new visit charge activity. Patients may receive mailed paper statements and electronic notifications via email and text. Brown University Health will also provide new patient balance notifications outside of the monthly statement cycles.
- Patients may request an itemizes statement for their accounts at any time.
- If a patient disputes a balance and requests documentation regarding the bill, Brown University Health will provide the requested documentation within 30 days of receiving the dispute notification.
- Brown University Health may approve payment plan arrangements for patients who indicate that they may have difficulty paying their balance in a single installment.
  - PFS Managements has the authority to make exceptions to this policy on a case-by-case basis for special circumstances
  - Brown University Health is not required to accept patient-initiated payment arrangements
  - Brown University Health may refer accounts to a collection agency as outline in the “Collection Practices” section for patients who do not make payment on a previously agreed to payment arrangement

**Collection Practices:**

- Subject to compliance with the provisions of this policy, Brown University Health may take any and all legal actions, including ECAs, to obtain payment for medical services provided.
- Brown University Health will not engage in ECAs, either directly or by any debt collection agency or other party to which the hospital has referred the patient’s debt, before reasonable efforts are made to determine whether a Responsible Individual(s) is eligible for assistance under the FAP.
  - Exceptions:
    - Deceased Responsible Individuals will have accounts placed in Brown University Health's Compassionate Billing Program. Account will be assigned to a collection agency to collect balances owed through estate/probate filings.
    - Patients who file Chapter 7 or Chapter 11 Bankruptcy filings will have accounts placed with a collection agency to file liens and monitor the bankruptcy proceedings. The the event that the case is dismissed, Brown University Health will restart collection efforts.

- Patients who hire an attorney to assist in resolving their balance will have accounts placed with Brown University Health's collection agency/law firm
- Patient Financial Services has final authority for determining that Brown University Health has made reasonable efforts to determine whether an individual is eligible for assistance under the FAP before engaging in any ECAs against that individual.
- At least four separate statements of Self-Pay Accounts shall be mailed or emailed to the last known address of each Responsible Individual(s); provided, however, that no additional statements need be sent after a Responsible Individual(s) submits a complete application for financial assistance under the FAP or has paid-in-full. At least 120 days shall have elapsed between the first and last of the required four mailings. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made. Account statements of Self-Pay Accounts will include but not limited to:
  - An accurate summary of the services covered by the statement
  - The charges for such services
  - The amount required to be paid by the Responsible Individual(s) or, if such amount is not known, a good faith estimate of such amount as of the date of the initial statement); and
  - A written notice that notifies and informs the Responsible Individual(s) about the availability of Financial Assistance under the hospital FAP including the telephone number of the department and direct website address where copies of documents may be obtained
  - A Copy for the Financial Assistance Plain Language Summary we be included with the statement 30 Days before engaging in ECA's
- Brown University Health will make a reasonable effort to provide oral notice of the Financial Assistance Policy and availability of Financial Assistance to individuals at least 30 days before engaging an ECA's.
- At least one of the statements mailed or emailed will include written notice that informs the Responsible Individual(s) about the ECAs that are intended to be taken if the Responsible Individual(s) does not apply for financial assistance under the FAP or pay the amount due by the Billing Deadline. Such statement must be provided to the Responsible Individual(s) at least 30 days before the deadline specified in the statement. It is the Responsible Individual(s) obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made.
- Responsible Individual(s) propensity to pay will be scored based on that assessment of the Responsible Individual(s) likelihood to pay and dollar amount of the Self-Pay account.
- Prior to initiation of any ECAs, an oral attempt will be made to contact Responsible Individual(s) by telephone at the last known telephone number, if any, at least once during the series of mailed or emailed statements if the account remains unpaid. During all conversations, the patient or Responsible Individual(s) will be informed about the financial assistance that may be available under the FAP.

## **Extraordinary Collection Actions**

ECA's may be commenced as follows:

- If any Responsible Individual(s) fail to apply for financial assistance under the FAP by 120 days after the first post discharge statement, and the Responsible Parties have received a statement with a Billing Deadline described above, then PFS or a collection agency may initiate ECAs.
- If any Responsible Individual(s) submits an incomplete application for financial assistance under the FAP prior to the Application Deadline, then ECAs may not be initiated until after each of the following steps has been completed:
  - Brown University Health provides the Responsible Individual(s) with a written notice that describes the additional information or documentation required under the FAP to complete the application for financial assistance, which notice will include a copy of the Plain Language Summary
  - Brown University Health provides the Responsible Individual(s) with at least 30 days' prior written notice of the ECAs that Brown University Health or collection agency may initiate against the Responsible Individual(s) if the FAP application is not completed or payment is not made; provided, however, that the Completion Deadline for payment may not be set prior to 120 days after the first post discharge statement.
  - If the Responsible Individual(s) who has submitted the incomplete application completes the application for financial assistance, and PFS determines definitively that the Responsible Individual(s) is ineligible for any financial assistance under the FAP, Brown University Health will inform the Responsible Individual(s) in writing the denial and include a 30 days' prior written notice of the ECAs that Brown University Health or collection agency may initiate against the Responsible Individual(s); provided, however, that the Billing Deadline may not be set prior to 120 days after the first post discharge statement.
  - If the Responsible Individual(s) who has submitted the incomplete application fails to complete the application by the Completion Deadline set in the notice provided above, then ECAs may be initiated.
  - If an application, complete or incomplete, for financial assistance under the FAP is submitted by a Responsible Individual(s), at any time prior to the Application Deadline, Brown University Health will suspend ECAs while such financial assistance application is pending.
- After the commencement of ECAs is permitted above, collection agencies shall be authorized to report unpaid accounts to credit agencies, and to file judicial or legal action, garnishment, obtain judgment liens and execute upon such judgment liens using lawful means of collection; provided, however, that prior approval of PFS shall be required before initial lawsuits may be initiated. Brown University Health and collection agencies may also take any and all legal other actions including but not limited to telephone calls, emails, texts, mailing notices, and skip tracing to obtain payment for medical services provided.

## **Policy Availability**

Contact our Business Office at 401-444-7850 for information regarding eligibility or the programs that may be available to you, to request a copy of the FAP, FAP application form, or Billing & Collection Policy to be mailed to you. Full disclosure of the FAP, FAP application form, or Billing & Collection Policy may be found at <https://www.brownhealth.org/patients-visitors/insurance-billing-and-financial-assistance/financial-assistance>. A paper copy of our FAP, FAP application form, or Billing & Collection Policy can be obtained at any of the following facilities:

Rhode Island Hospital - 593 Eddy Street, Providence, RI 02903

Miriam Hospital - 164 Summit Ave, Providence, RI 02906

Newport Hospital - 11 Friendship Street, Newport, RI 02840

Bradley Hospital - 1011 Veterans Memorial Parkway, Riverside, RI 02915

Gateway Healthcare - 249 Roosevelt Ave, Suite 205, Pawtucket, RI 02860

#### Document Versions

Action	Title	Area	Document Status	Approved	Effective	Revised?
	Billing and Collections Policy	Finance	Active	03/2025	03/2025	Revised
	Billing and Collections Policy	Finance	Old	11/2024	11/2024	New