

Title: Billing and Collections Policy (Wake Market)		Document Number: 35872
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I. PURPOSE

PURPOSE

A. Thoroughly and accurately, document the doctor/patient encounter in the patient's medical record and supporting business systems in a timely manner.

B. Translate clinical documentation contained in the patient medical record and supporting business systems into standardized diagnosis and procedure codes i.e. International Classification of Diseases Clinical Modification and Procedure Coding System, 10th Revision, Current Procedural Terminology (CPT), and Health Care Common Procedure Coding System (HCPCS).

C. Submit format-compliant claims to third-party entities according to established industry standards and in accordance with our Billing Compliance Policy.

D. Accept as payment-in-full, amounts less than full charges, based on guidelines established within WAKE MARKET/ASC Policies and payer contracts.

E. Apply appropriately formatted charges to billing statement to accurately reflect services and supplies provided to patients in relation to the diagnosis, treatment or prevention of medical conditions.

F. Not permit courtesy discounts, defined as waiving fees for physicians, nurses, healthcare professionals, clergy, relatives of professionals, employees of WAKE MARKET/ASC, or any patients who receive treatment or services at WAKE MARKET/ASC.

G. Collect amounts due from Guarantors based on guidelines established in this Billing and Collections Policy. Requests from providers, clinics, hospital departments, or patients to waive charges for services or amounts due from patients must be escalated to the Vice President of Patient Financial Services, by completion of the Patient Charge or Balance Waiver Request Form: Patient Charge or Balance Waiver Request

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H. Route all patient inquiries or disputes related to coding, billed charges, or account balance to the WAKE MARKET/ASC Customer Service.

II. SCOPE

This document applies to the Wake Market/ASC within Advocate Health Inc. entities in the Southeast Region Wake Market, to include North Carolina Baptist Hospital (NCBH), Davie Medical Center (DMC), Lexington Medical Center (LMC), High Point Medical Center (HPMC), Wilkes Medical Center (WMC), NCBH Outpatient Endoscopy Charlois, NCBH Outpatient Endoscopy Quaker Lane, High Point Surgery Center (HPSC), Premier Surgery Center (PSC), Wake Forest Baptist Imaging, LLC (WFBI), Wake Forest University School of Medicine (WFSOM), and Ambulatory Care Services (ACS).

III. DEFINITIONS

- A. *Policy*: As defined in the Policy on Creating and Amending Policy, a statement of principle that is developed for the purpose of guiding decisions and activities related to governance, administration, or management of care, treatment, services or other activities of WAKE MARKET/ASC. A policy may help to ensure compliance with applicable laws and regulations, promote one or more of the missions of WAKE MARKET/ASC governance, and set parameters within which faculty, staff, students, visitors and others are expected to operate.
- B. *Agreed Discounts*: Mutually agreed reductions from the gross charges through written contracts whereby the guarantor and/or the guarantor's third-party insurance carrier may reduce gross charges by an agreed upon method or amount.
- C. *Application Period*: The period during which WAKE MARKET/ASC 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 240 day after the WAKE MARKET/ASC provides the first post-discharge billing statement for the care.
- D. *Balance Billing*: Balance billing occurs when physicians/providers and hospitals/facilities who are not contracted with the patient's third-party insurance carrier bills the patient for the difference between the amount the insurance carrier pays and the amount the provider's/facility's gross charges.
- E. *Charge Description Master (CDM)*: a list of services/procedures, room accommodations, supplies, drugs/biologics, and/or radiopharmaceuticals that may be billed to a patient registered as an inpatient or outpatient on a claim.

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- F. *Extraordinary Collection Actions (ECAs)*: Actions taken to obtain payment for care under the WAKE MARKET/ASC's Patient Financial Assistance Policy (FAP) that require legal/judicial processes or involve selling an individual's debt to another party that may report adverse information about the individual to consumer credit reporting agencies or credit bureaus.
- G. *Financial Assistance Policy (FAP)*: The WAKE MARKET/ASC Financial Assistance Program for Patient Liability/Self Pay Policy, which includes eligibility criteria, the basis for calculating charges, the method for applying the policy and the measures to publicize the policy.
- H. *Gross Charges*: The full, list-price of services and supplies as listed in WAKE MARKET/ASC's CDM.
- I. *Guarantor*: A person or entity that is responsible for his/her debt or performance under a contract or another's debt or performance under a contract. If contract is not obtained, WAKE MARKET/ASC applies relevant legal authorities in determining whether a person or entity is a guarantor.
- J. *Healthcare Common Procedure Coding System (HCPC or HCPCS)*: A set of health care procedure codes based on the American Medical Association's Current Procedural Terminology (CPT).
- K. *Non-Covered Services*: Services and supplies that are not included in the Summary of Benefits associated with the benefits plan purchased by or awarded to a Guarantor and/or the Guarantor's dependents; or otherwise covered services and supplies that have been deemed non-payable by the health plan due to administrative reasons.
- L. *Notification Period*: The period during which WAKE MARKET/ASC must notify a Responsible Individual about its FAP in order to have made reasonable efforts to determine whether the Responsible Individual is eligible under the FAP. The Notification Period begins on the first date care is provided to the patient and ends after 120 days after WAKE MARKET/ASC provided the individual with the first post-discharge billing statement for the care.
- M. *Presumptive determined FAP eligible*: Determined to be eligible for financial assistance under WAKE MARKET/ASC's financial assistance policy by use of commercially available financial profiling and other screening processes under the FAP policy.
- N. *Service Area*: The defined geographical region consisting of nineteen (19) North Carolina counties identified by WAKE MARKET/ASC's marketing department as the primary service area.
- O. *Third-party Collections Agency (Agency)*: A third-party business that

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pursues payment of debts owed to WAKE MARKET/ASC by Guarantors.

P. *Uncollectable Debts*: A Guarantor debt that has met either of the following conditions:

1. After 365 calendar days, the Agency has been unsuccessful in engaging the Guarantor in resolution of the debt.
2. After ninety (90) consecutive days of non-payment, the Agency was unsuccessful collecting against an established payment plan.

IV. POLICY

A. Documentation of the Doctor/Patient Encounter:

Refer to the [Documentation of Patient Care, Treatment, and Services](#) policy

B. Coding

1. It is the policy of WAKE MARKET/ASC to follow ICD-10 CM Official Guidelines for Coding and Reporting and the ICD-10-PCS Official Coding Guidelines which are accessible through the American Hospital Association (AHA) Central Office Web site. Official coding guidelines approved by the four cooperating parties responsible for administering the ICD-10-CM and ICD-10-PCS systems in the United States (American Hospital Association, American Health Information Management Association, Centers for Medicare & Medicaid Services and National Center for Health Statistics) are published on a yearly basis. ICD-10-CM and ICD-10-PCS coding advice is included in the AHA Coding Clinic for ICD-9-CM starting with the Fourth Quarter 2012 issue, and provides official guidance in the use of ICD-10, as it has for ICD-9. In absence of official coding guidelines, internal coding guidelines will be developed. These internal guidelines will have the approval of the Corporate Revenue Cycle HIM/Coding Assistant Vice President.
 - a. It is the policy of WAKE MARKET/ASC to follow official coding guidelines as well as the CMS National Correct Coding Initiative edits and other relevant coding guidelines for all levels of HCPCS (Healthcare Common Procedure Coding System) codes.
 - b. National Drug Code (NDC) is the policy of WAKE MARKET/ASC to follow National Drug Code reporting requirements associated with the Medicaid Drug Rebate Program. The NDC is a code that identifies the vendor (manufacturer), product, and package size of all medications recognized by the FDA.

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- c. It is the policy of WAKE MARKET/ASC to employ a Clinical Documentation Improvement (CDI) program in support of optimal documentation specificity. WAKE MARKET/ASC's CDI will leverage dedicated specialists to concurrently review patient charts for completeness and accuracy to improve accuracy and specificity of clinical documentation, thereby preventing downstream coding and billing errors.

2. Charge Capture:

It is the policy of WAKE MARKET/ASC to maintain a Charge Description Master (CDM) that serves as a list of services/procedures, room accommodations, supplies, drug/biologics, and/or radiopharmaceuticals that may be billed on a claim to a patient registered as an inpatient or outpatient.

- a. The CDM is where price and relevant HCPCs data are maintained and structured to facilitate the translation of clinical documentation into specific chargeable items for the purposes of billing.
- b. The CDM may be updated by WAKE MARKET/ASC as frequently as necessary to facilitate appropriate capture and billing of clinical services and supplies.

3. Insurance Agreements/Contracts:

It is the policy of WAKE MARKET/ASC to enter into agreements/contracts with certain government and non-government entities for the administration of third-party benefit plans which may be purchased by or awarded to WAKE MARKET/ASC Guarantors and their dependents.

4. Claim Preparation:

- a. It is the policy of WAKE MARKET/ASC to prepare claims in accordance with guidelines established by various and non-government payer entities.
- b. It is the policy of WAKE MARKET/ASC to bill all government and non-government payer entities in a consistent and compliant manner.

5. Discounts from Charges:

- a. It is the policy of WAKE MARKET/ASC to certain fee schedules and cost-sharing arrangements from third party government and non-government entities in exchange for timely and efficient payment of claims. WAKE MARKET/ASC may accept fee schedules, grants discounts, to third-party entities, or accept assignment of benefits from Guarantors to secure

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timely and accurate payment for services and supplies. WAKE MARKET/ASC, at its sole discretion, may choose whether or not to participate in a given payer contract or network.

- b. It is the policy of WAKE MARKET/ASC to apply specific discounts to balances of FAP eligible individuals consistent with the guidelines in the FAP.
- c. It is the policy of WAKE MARKET/ASC to apply specific discounts to balances of uninsured individuals consistent with the guidelines in the Uninsured Patient Discount Policy.
- d. It is the policy of WAKE MARKET/ASC that only agreed upon discounts will be excluded from balances billed to patients. Amounts for services not covered by a benefit plan or adjustments applied to bills for administrative reasons (such as denials) will be considered non-covered services and will remain the responsibility of the Guarantor and will be billed to the Guarantor consistent with relevant legal requirements.

6. Guarantor Responsibilities:

- a. It is the policy of WAKE MARKET/ASC to try to obtain a contract with a Guarantor; who, on behalf of the patient, accepts financial responsibility for services and supplies provided to the patient in support of the diagnosis, treatment or prevention of a medical condition. To the extent a contract is not obtained, WAKE MARKET/ASC will apply relevant legal authorities in determining whether a person or entity is a guarantor.
- b. It is the policy of WAKE MARKET/ASC that the contract between WAKE MARKET/ASC and the Guarantor serves as acknowledgment, on behalf of the Guarantor, that the Guarantor has the fiduciary responsibility to accept or reject services and supplies recommended by the WAKE MARKET/ASC treating provider in relation to the diagnosis, treatment or prevention of a medical condition. Failure of the Guarantor to exercise his/her fiduciary obligations will in no way limit the Guarantor's liability for services and supplies provided to the patient in relation to the diagnosis, treatment or prevention of medical conditions.
- c. It is the policy of WAKE MARKET/ASC, that the contract agreement between the Guarantor and WAKE MARKET/ASC automatically incorporates and is governed by the following regulations and/or policies:
 - 1. Hospital specific Emergency Medical Treatment and Active Labor Act (EMTALA) policies
 - 2. [Patient Financial Assistance](#)
 - 3. [Pre-Service Financial Clearance](#)

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4. [Inbound Patient Transfer Guidelines](#)

7. Patient Billing and Collections:

- a. It is the policy of WAKE MARKET/ASC to assist guarantors with payment for WAKE MARKET/ASC related balances by communicating effectively:
 1. WAKE MARKET/ASC shall, upon request from a guarantor, make available for review specific information about what WAKE MARKET/ASC charges for services.
 2. WAKE MARKET/ASC shall provide financial counseling to guarantors about their WAKE MARKET/ASC related balances and shall make the availability of such counseling widely known.
 - a. WAKE MARKET/ASC shall employ a Pre-Service and Post-Service Financial Clearance process to assess certain Guarantor data in an effort to determine the Guarantor's ability to pay for the services and supplies requested and to connect the Guarantor with applicable discounts and third-party resources. (See: [Pre-Service Financial Clearance](#) policy.)
 3. WAKE MARKET/ASC shall respond promptly to guarantors' questions about their bills and to be evaluated for financial assistance.
 4. WAKE MARKET/ASC shall use billing statements that are clear, concise, correct and patient friendly. The billing statements will provide notification of available financial assistance and a plain language summary of the FAP.
 5. WAKE MARKET/ASC will make a reasonable effort to determine a Guarantor's eligibility for financial assistance before engaging in any Extraordinary Collection Actions (ECAs). (See: [Patient Financial Assistance](#) policy.)
 6. Once a balance has been transferred to patient liability, WAKE MARKET/ASC will produce a series of Guarantor billing statements and will generate periodic phone calls over a period of 120 days from the first post discharge statement to notify the Guarantor of the liability and to seek payment, to notify of WAKE MARKET/ASC's FAP, and the FAP application process, including how assistance with the application can be obtained. If payment in full has not been received or a payment plan established by day 90 from the first post discharge billing statement, a 30-day collection notice will be sent to the guarantor. The 30-day collection notice will provide written notice of available financial

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assistance (including a plain language summary of the FAP), specific collection actions and ECAs to be initiated and the deadline, not to be before the 30 days from the date on the notice, for initiating such collection actions.

7. Billing Statements will be addressed to the Guarantor and will be formatted to clearly identify:
 - a. Gross Charges;
 - b. Agreed Discounts applied;
 - c. Payments received from sources other than the Guarantor; and
 - d. Guarantor liability.
8. After 120 days from the first post discharge billing statement to the Guarantor, if the Guarantor has not paid the patient responsibility in full or made installment payment arrangements, WAKE MARKET/ASC may transfer balances not qualifying for financial assistance to an Agency for further collection activity.
9. WAKE MARKET/ASC may refer accounts to an outside legal firm for appropriate legal action, including civil actions and obtaining liens on relevant properties. WAKE MARKET/ASC's Corporate Revenue Cycle leadership team will approve all such referrals.
10. All ECAs, including third party collection activities, will be suspended if guarantor submits a completed FAP application during the application period or submits an incomplete application during the application period that is subsequently completed within a reasonable period of time after WAKE MARKET/ASC requests further information to complete the application. If the guarantor is determined not eligible for a full discount of charges under the FAP, any ECAs may be resumed as to the outstanding balance owed. If the guarantor is determined eligible for any level of assistance under the FAP, appropriate measures will be taken to refund any appropriate amounts owed to guarantor and reverse or modify ECAs consistent with the new balance owed after applying the applicable FAP discounts.
11. WAKE MARKET/ASC, under the authority of the Vice President of Corporate Revenue Cycle, will authorize a contracted Agency to take actions on behalf of WAKE MARKET/ASC to collect debts from Guarantors consistent with guidelines established in the Fair Debt Collection Practices Act (FDCPA), 15 U.S.C. § 1692.
12. WAKE MARKET/ASC will recall Uncollectable Debts from an Agency,

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remove any negative credit listings associated with the debt and will cease all further collections actions.

13. Guarantors with Uncollectable Debts may be subject to Financial Discharge from further non-emergent or medically unnecessary care from any WAKE MARKET/ASC provider. (See: Financial Discharge Policy.)
- b. It is the policy of WAKE MARKET/ASC to help patients with payment for hospital care by contracting with third-party payers in a consistent manner:
1. WAKE MARKET/ASC shall be organized as an integrated healthcare delivery system where all employed or owned WAKE MARKET/ASC billing entities participate in a common set of payer discount contracts.
 2. WAKE MARKET/ASC shall seek to remedy and/or eliminate situations which create the potential for Balance Billing.
- c. It is the policy of WAKE MARKET/ASC to help patients qualify for coverage:
1. WAKE MARKET/ASC shall make available to the public information, on hospital-based charity care, policies and other known programs of financial assistance.
 2. WAKE MARKET/ASC shall communicate this information to patients in a way that is easy to understand, culturally appropriate, and in the most prevalent languages used in WAKE MARKET/ASC's defined Service Area
 3. WAKE MARKET/ASC shall have understandable, written policies to help patients determine if they qualify for public assistance programs or hospital-based assistance programs.
 4. WAKE MARKET/ASC shall share these policies with appropriate community health and human services agencies and other organizations that assist people in need.
 5. WAKE MARKET/ASC shall inform patients that any presumptive determined FAP eligible individual not determined eligible for a full discount of charges may submit a complete financial assistance application during the application period to qualify for the most generous FAP discount.
- d. It is the Policy of WAKE MARKET/ASC to ensure hospital policies are applied accurately and consistently:

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1. WAKE MARKET/ASC shall ensure that all written policies for assisting patients are applied consistently.
 2. WAKE MARKET/ASC shall ensure that staff members who work closely with patients (including those working in patient registration and admitting, financial assistance, customer service, billing and collections, as well as nurses, social workers, hospital receptionists and others) are educated about hospital billing, financial assistance and collection policies and practices.
- e. It is the policy of WAKE MARKET/ASC to make care more affordable for patients with limited means:
1. WAKE MARKET/ASC shall regularly review all current charges and ensure that charges for services and procedures are reasonably related to both the cost of the service and to meeting all of the community's health care needs, including providing the necessary subsidies to maintain essential public services.
 2. WAKE MARKET/ASC shall offer discounts to patients who do not qualify under WAKE MARKET/ASC's Financial Assistance Policy for free or reduced cost care and who, after receiving financial counseling from the hospital, are determined to be eligible under the hospital's criteria for such discounts. Uninsured Patient Discount Policy, shall clearly state the eligibility criteria, amount of discount, and payment plan options.
- f. It is the policy of WAKE MARKET/ASC to ensure fair billing and collection practices:
1. WAKE MARKET/ASC shall ensure that patient accounts are pursued fairly and consistently, reflecting the public's high expectations of WAKE MARKET/ASC.
 - a. WAKE MARKET/ASC requires an Agency to comply with requirements set forth within the Fair Debt Collection Practices Act (FDCPA), 15 U.S.C. § 1692.
 2. WAKE MARKET/ASC shall define the standards and scope of practices to be used by an Agency acting on its behalf, and shall obtain agreement to these standards in writing from such agencies.
 - a. WAKE MARKET/ASC requires an Agency to attempt to contact Guarantors, via written correspondence and phone calls for an initial period of no less than 30 calendar days after debt placement.

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Exhibit A

