UPMC PINNACLE

Policy C-669
INDEX: Finance

SUBJECT: Credit and Collections
DATE: September 1, 2022

I. POLICY

Consistent patient payment policies are necessary to ensure that the Hospitals maintain financial viability in order to safeguard its ability to meet community health care needs consistent with the Hospitals' mission.

UPMC Pinnacle operates under the following principles put forth by the Board of Trustees of the American Hospital Association:

A. Treat all patients equitably, with dignity, with respect and with compassion.
B. Serve the emergency health care needs of everyone, regardless of a patient's ability to pay for care.
C. Assist patients who cannot pay for part or all of the care they receive.
D. Balance needed financial assistance for some patients with broader fiscal responsibilities in order to keep hospitals' doors open for all who may need care in a community.

II. SCOPE

This policy applies to the following UPMC in Central Pa hospital facilities:

☒ UPMC Pinnacle Hospitals (including Harrisburg, Community and West Shore)
☒ UPMC Carlisle
☒ UPMC Memorial
☒ UPMC Lititz
☒ UPMC Hanover

In addition, this policy applies to Community Life Team and all the physician office practices owned by Pinnacle Health Medical Services (d/b/a Pinnacle Health Medical Group), Pinnacle Health Cardiovascular Institute, and Pinnacle Health Regional Physicians.

III. Procedure Guidelines:

Responsibility – The following criteria is used to determine financial responsibility for services rendered:

A. The patient, if 18 years of age and legally competent.

B. Parent or legal guardian of a child under the age of 18.

C. Person so designated by a legal document.

D. Patients who are under 18 years of age and are considered emancipated minors because of one or more of the following reasons:
   - Are currently or have ever been pregnant.
   - Are married
   - Have graduated from high school
   - Provide for their own support and maintenance

   In addition, individuals under 18 can consent, and be financially responsible, if requesting confidentiality from parents, for the following treatments:
   - Screening and treatment for sexually transmitted diseases
   - Screening and treatment for HIV
   - Contraception (but not abortion)
   - Drug and alcohol treatment
   - Mental health treatment if you are age 14 and older

E. Other individuals who assume financial responsibility by signing the UPMC in Central Pa Agreement to Assume Financial Responsibility.

IV. Pre-Admissions – In order to provide adequate time to verify insurance and pre-certification requirements on elective procedures and identify patient responsibility, it is essential that the Hospitals' Central Pre-Registration area receive notification of the admission/surgery five business days prior to service. Cases that are not pre-certified by the insurer prior to service will be rescheduled. Deposits are requested for all estimated patient balances. This includes non-covered services, deductibles, co-insurance, etc. Patients that are pre-admitted will have the opportunity for financial counseling at the time of pre-admission testing or by phone before admission. Various options for payment will be discussed and arranged before the service date. Depending upon the dollar amount involved and/or urgency of services to be rendered, cases may be rescheduled should adequate payment arrangements not be met. Elective surgeries, such as but not limited to non-covered services, bariatric and cosmetic, must be paid in full prior to services.

V. Uninsured –Uninsured patients that do not have an urgent or emergent need for treatment may be required to discuss their financial arrangements with a financial counselor prior to treatment. Financial Aid is offered through the Hospitals' Charity Care and Financial Assistance policy which is outlined in Policy #C-667. Upon an unscheduled admission, uninsured patients are interviewed by a certified application counselor or financial counselor, that is either an employee of the hospital or a contracted agent, who will complete the Medical Assistance application with the information provided by the patient and will submit the filing at the appropriate County Assistance Office. Outpatients are assisted by the Hospitals' certified application counselors or financial counselors in obtaining Medical Assistance.

VI. Assignment of Benefits – The Hospitals will submit bill forms for all insurances that are assigned to the organization with adequate proof of coverage. The responsible party may be required to assist in the follow-up process of the claim and will be required to make

payment if the insurance has not resolved a clean claim within 60 days. Secondary insurances will be billed as appropriate.

VII. Non-disclosure of Self Pay Services to Health Plans – In accordance with the HITECH (Health Information Technology for Economic and Clinical Health) Act, UPMC in Central Pa will agree to a patient's request for privacy protection as to the disclosure of protected health information for payment or healthcare operations if the information pertains only to a healthcare item or service that the patient has paid for out of pocket in full, unless disclosures is otherwise required by law or is for treatment purposes.

VIII. Collection of Self-Payment Amounts –The following steps outline the collection efforts after service is rendered:

A. Upon determination of a patient balance a statement will be produced. This initial statement informs the patient that financial assistance is available for those that apply and qualify. The initial statement allows 26 days for payment. If payment is not received in 26 days, a second statement will be sent. The message on the second statement will note that the account is past due and that financial assistance is available for those that apply and qualify. Twenty-six (26) days after the second statement, a pre-collection letter will be sent informing the patient that their account will be forwarded to an outside collection agency should payment not be made in 14 days nor payment arrangement established. Again, the statement will note that financial assistance is available and disclose that any unpaid balance may be sent to a collection agency should they not apply and qualify for financial assistance or set up acceptable payment terms. Based on the guarantor's propensity to pay, the collection agency will work the account by making a varied number of IVR call(s) and sending a varied number of letters/statements over a minimum of a 42 day period. No bad debt agency will perform any ECA (extraordinary collection actions). The unpaid balance will not be transferred to bad debt collections until a minimum of 120 days after the date noted on the first patient statement.

B. At a minimum of 120 days, should the account not be paid or payment arrangements established, the account balance will be transferred to a primary collection. The account will be moved to the bad debt file and applied against the reserve on the balance sheet (Note: Bad debt expense is recognized based on a reserve methodology and not at the time of transfer).

C. All accounts are forwarded to the primary collection agencies regardless of the original payer involved. This primary agency will work the account for a minimum of nine months. If the primary agency does not generate any payments on the account, the account may then be forwarded to the secondary agency. The secondary agency will work the account for another nine months. Upon the return of the account from either the secondary agency or from the primary agency after 18 months, all collection efforts by UPMC Pinnacle cease.

D. UPMC Pinnacle and any contracted collection agency will limit account collection actions to standard acceptable business practices, which include phone calls and mailings. Under no circumstance will UPMC in Central Pa or its contracted collection agencies adopt an ECA that include lawsuits, liens, arrests or other similar actions.

E. A completed Financial Aid Application will be forwarded to the Patient Financial Support Services department. When the application is received, the staff will review and

determine if the application is complete and the documentation supports Charity Care or Financial Assistance eligibility. If all the necessary documentation is not received the applicant will be notified by phone and/or written notice and collection efforts will proceed. See the Charity Care and Financial Assistance Policy, #C-667, for more details.

IX. Discounts – Uninsured (self-pay) patients will be offered at a minimum a 40% discount for services provided at all UPMC Pinnacle Hospitals as listed in beginning of this policy. This discount excludes special pricing which may be services typically non-covered by medical insurance. Services such as but not limited to cosmetic, bariatric or other special pricing.

Insured patients who have services at UPMC Pinnacle Hospitals may be offered a 20% prompt pay discount. A financial counselor or registrar may create an estimate prior to or day of service and request payment. Prompt pay discounts are only available for those patients that prepay their estimated patient portion prior to service, day of service or prior to discharge if Inpatient or Observation. Services that may be considered as non-covered or experimental by a specific insurance, at the discretion of the Patient Financial Services Department Manager, Director or VP of Revenue Cycle may approve an additional discount.

Charity Care and Financial Assistance is also offered to all patients in a variety of ways. Patients may request an application at any registration area, a hospital financial counselor, as noted on all patient statements by visiting the Hospitals' website or calling into the Patient Financial Support Services Department. See Charity Care and Financial Assistance Policy, #C-667 to learn more about specific policy guidelines.

Please note discounts are not always applicable and are not combined.

X. Payment Terms – Various options for payment are available to the customer: Cash, check, credit card and installment payments. The installment plans offered balance our need to meet financial obligations while trying to assist patients with being able to pay for their care. Arrangements that are paid off within 3 months are handled by the Hospital. Plans in excess of 3 months are handled by ClearBalance through Republic Bank & Trust Company.

XI. Overpayment – Any overpayment of account balances by the patient will be applied to outstanding balances for the same patient or guarantor (family). If there are no outstanding debts, the payment will be refunded in coordination with all parties who made payments making the credit balance.

XII. Confidentiality – The hospital staff will always treat customers with respect and dignity. All records and information, including knowledge of services and debt, are considered confidential in accordance to HIPAA regulations.

SIGNED: Neal McKnight
VP, Revenue Cycle
ORIGINAL: October 28, 1998
APPROVALS: Neal McKnight
VP, Revenue Cycle
PRECEDE: May 18, 2020
SPONSOR: Director, Patient Financial Support Services