



POLICY & PROCEDURE 29.2.3.11

LAST REVISION MADE ON: 8/24/23
LAST COMPLETE REVIEW: 8/24/23
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ATTACHMENT(S): None

TITLE: Billing and Collections Policy

PURPOSE: The purpose of this policy is to describe the billing and collection policy for Holland Hospital and its employed medical partners together with its Financial Assistance Policy. It 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 thereunder. This policy establishes the actions that may be taken in the event of nonpayment for medical care provided, including but not limited to extraordinary collection actions. The guiding principles behind this policy are to treat all patients and the individuals responsible equally with dignity and respect. In addition, the purpose of this policy is to ensure appropriate billing and collection procedures are uniformly followed and to ensure that responsible efforts are made to determine whether the patient or individuals responsible for payment of all or a portion of a patient account is eligible for assistance under the Financial Assistance Program (FAP).

RESPONSIBILITY/SCOPE: Patient Registration, Patient Financial Advocates, Patient Financial Experience, Patient Financial Services and Professional Billing.

PROCEDURE:

1. A statement is mailed to the patient's last known address for the patient or responsible individual when the patient balance becomes self-pay. Statements will be sent every 30 days until at least four statements have been sent or 120 days have elapsed since the initial statement was sent.
2. It is the obligation of the responsible individual to provide the correct address at the time of service or upon moving. A post-office box is not acceptable as an address. If the statement is returned undeliverable without a forwarding address, a reasonable effort will be made to obtain the correct address for the patient. If a valid address cannot be identified, the determination for "Reasonable Effort" will have been made.
3. A billing statement is mailed to patients who have a balance due. All patient account statements will include but are not limited to:
 - a. An accurate summary of the services covered by the statement.
 - b. The charges for the services rendered.
 - c. Payments and adjustment activity on the encounter, if applicable.
 - d. The amount to be paid by the responsible individual.
 - e. A conspicuous written notice that notifies and informs the responsible individual about the availability of Financial Assistance under the hospital FAP including the telephone number for Patient Financial Services and direct website address where copies of documents may be obtained.
4. Holland Hospital patients who are uninsured will have a 40% self-pay discount applied to their account at the time of billing. Holland Hospital Medical Group patients will receive a 20% self-pay discount applied at the time of service. Patients with health coverage or receiving cosmetic services are not eligible for a discount.
5. If the account is not fully resolved by the 150th day after the initial statement is sent or a formal payment plan has not been established, the account will be placed with an external collection agency.
6. The final statement or letter mailed will include written notice that informs the responsible individuals about extraordinary collection actions that are intended to be taken if the responsible individual does not apply for financial assistance under the FAP or pay the amount due by the billing deadline, or the last day of the notification period of 240 days. At any time during the 240-day notification period the patient may apply and be considered for financial assistance. A statement will be mailed at least 30 days before the deadline

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specified in the statement and will include the Plain Language Summary. It is the responsible individual's obligation to provide the correct mailing address at the time of service or upon moving. If an account does not have a valid address and no alternative address can be confirmed, the determination for "Reasonable Effort" has been made.

Extraordinary Collection Actions (ECAs) may commence as follows:

1. If any individual fails to apply for financial assistance under the FAP by 240 days after the first statement is mailed, and the responsible individual has received the final statement (based on Procedure criteria above), which includes the Plain Language Summary, then Holland Hospital may initiate ECAs.
2. If a responsible individual has applied for financial assistance under the FAP in the last six months, and Patient Financial Services (PFS) determines definitively that the responsible individual is ineligible for any financial assistance under the FAP, Holland Hospital may initiate ECAs.
3. If any responsible individual submits an incomplete application for financial assistance under the FAP prior to the application deadline of 240 days, then ECAs may not be initiated until after each of the following has been completed:
 - a. PFS provides the responsible individual with a written notice that describes the additional information or documentation required under the FAP to complete the application for financial assistance, which will also be accompanied by the Plain Language Summary.
 - b. PFS provides the responsible individual with at least 30 days prior written notice of the ECAs that Holland Hospital may initiate against the responsible individuals if the FAP application is not completed or payment is not made; however, provided the deadline for completion or payment may not be set prior to 240 days after the first post discharge statement.
 - c. If the responsible individual who has submitted the incomplete application completes the application for financial assistance, and PFS determines definitively that the responsible individual is ineligible for any financial assistance under the FA policy, Holland Hospital may initiate ECAs.
 - d. If the responsible individual who has submitted the incomplete application fails to complete the application by the completion deadline set in the notice described in item b, then ECAs may be initiated.
 - e. If the responsible individual submits a financial assistance application, complete or incomplete, under the Financial Assistance Policy at any time during the application period, Holland Hospital will suspend ECAs while the financial assistance application is pending.
 - f. If the responsible individual has questions regarding his or her statement or this policy, he or she may contact Patient Financial Services at 616-394-3122.
4. After the commencement of ECAs is permitted under section 3 above, external collection agencies shall be authorized to report unpaid accounts to credit agencies, to file litigation and garnishment; however, provided that prior approval of PFS is granted before initial lawsuits may be initiated. Holland Hospital and external collection agencies may also take all legal actions including but limited to telephone calls, emails, text, mailing notices, and skip tracing to obtain payment for medical services rendered.

REFERENCE: [Holland Hospital Financial Assistance Program ENG 29.2.3.10](#)
[Financial Assistance Application-ENG 54494](#)



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LAST COMPLETE REVIEW: 8/24/23
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ATTACHMENT(S): None

[Holland Hospital Financial Assistance Program SPN 29.2.3.12](#)
[Financial Assistance Application SPN 54495](#)

POLICY OWNER: Director, Billing and Collections

REVIEWED BY: Director, Billing and Collections
Director, Revenue Cycle & Professional Billing
Manager, Patient Financial Support

APPROVED BY: CFO, Board of Directors