



# CUMBERLAND HEALTHCARE

**Patient Financial Service**  
**Subject: Billing and Collection Policy**  
**Applies To: Facility Wide**  
**Date: June 1, 2016**

## I. PURPOSE:

This policy applies to Cumberland Memorial Hospital DBA Cumberland Healthcare, together with Financial Assistance Policy (FAP), 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 medical care provided by Cumberland Healthcare, including but not limited to extraordinary collection actions. The guiding principles behind this policy are to treat all patients and Individual(s)'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(s) Responsible for payment of all or a portion of a patient account is eligible for assistance under the Financial Assistance Policy. All patients seeking healthcare services at Cumberland Memorial Hospital are assured that they will be served regardless of ability to pay. No one is refused service because of lack of financial means to pay.

## II. DEFINITION:

Plain Language Summary means a written statement that notifies an Individual(s) that Cumberland Healthcare 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.

Application Period means the period during which Cumberland Healthcare 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 Cumberland Healthcare provides the first post discharge billing statement.

Billing Deadline means the date after which Cumberland Healthcare or collection agency may initiate an 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 30 days prior to such deadline, but no earlier than 120 days after the first post discharge statement.

Completion Deadline means the date after which Cumberland Healthcare 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 Cumberland Healthcare provides the Individual(s) with this notice; or (2) the last day of the Application Period.

Extraordinary Collection Action (ECA) means 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.

FAP-Eligible Individual(s) means 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) means Cumberland Healthcare's Financial Assistance Program for Uninsured Patients 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 program.

PFS means Patient Financial Services, the operating unit of Cumberland Healthcare responsible for billing and collecting Self-Pay Accounts.

Responsible Individual(s) means 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 means that 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



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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.

## III. POLICY

- A. Subject to compliance with the provisions of this policy, Cumberland Memorial Hospital may take any and all legal actions, including Extraordinary Collection Actions, to obtain payment for medical services provided.
- B. Cumberland Memorial Hospital 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 facilities Community Care program.
- C. A Plain Language Summary statement for Cumberland Healthcare is available at [www.cumberlandhealthcare.com](http://www.cumberlandhealthcare.com) along with the Financial Assistance Policy and Financial Assistance application. Patients who do not have the means to pay for necessary health care services can apply for assistance using this application. Cumberland Healthcare Patient Financial Services will provide assistance with understanding at completing the Financial Assistance Application.
- D. At least three separate statements for collection of Self-Pay Accounts shall be mailed to the last known address. At least 60 days shall have elapsed between the first and last of the required three 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. All guarantor statements of self-pay accounts will include but not limited to:
  - a. An accurate summary of the hospital services covered by the statement;
  - b. The charges for such services;
  - c. The amount required to be paid by the responsible individual;
  - d. A conspicuous written notice that notifies and informs the responsible individual(s) about the availability of financial assistance and the hospital FAP including the telephone number of the department and direct website address where copies of documents may be obtained.
- E. 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



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moving. If an account does not have a valid address, the determination for "Reasonable Effort" will have been made.

- F. Cumberland Healthcare offers payment plans that bear no interest. Generally, balances require a minimum payment of \$25.00 per month and must be paid in full within 24 months.
- G. 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.
- H. ECAs may be commenced as follows:
  - 1. 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 in Section III.E above, then Cumberland Healthcare or collection agency may initiate ECAs.
  - 2. 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:
    - a. PFS provides the Responsible Individual(s) with a written notice that describes the additional information or documentation required under the FAP in order to complete the application for financial assistance, which notice will include a copy of the Plain Language Summary.
    - b. PFS provides the Responsible Individual(s) with at least 30 days' prior written notice of the ECAs that Cumberland Healthcare 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.
    - c. 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, Cumberland Healthcare will inform the Responsible Individual(s) in writing the denial and include a 30 days' prior written notice of the ECAs that Cumberland Healthcare 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.
    - d. 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 pursuant to Section III.G.3.b above, then ECAs may be initiated.
    - e. 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, Cumberland Healthcare will suspend ECAs while such financial assistance application is pending.
- I. After the commencement of ECAs is permitted under Section III.G 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. AMH and



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external 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.

#### IV. POLICY AVAILABILITY

Contact our Business Office at 715-822-7224 for information regarding eligibility or the programs that may be available to you, to request a copy of the FAP, FAP application form, or Collection Policy to be mailed to you, or if you need a copy of the FAP, FAP application form, or Collection Policy translated to Spanish. Full disclosure of the FAP, FAP application form, or Collection Policy may be found at [www.cumberlandhealthcare.com/financial-services/](http://www.cumberlandhealthcare.com/financial-services/). A paper copy of our FAP, FAP application form, or Collection Policy can be obtained at our facility located at 1110 7<sup>th</sup> Avenue, Cumberland WI 54829 at the registration desk.

Approved by: \_\_\_\_\_

  
Mike Gutsch, CEO/Administrator

Date 07/24/2020

Original Date of Issue: 06/01/16; 06/30/2020; 7-24-20

Typist's Initials and File Name: SF H:BusinessOffice/501r