

Policy No: 245

Effective Date: 01/01/14 (all encounters from that date forward)

Revision Dates: 12/15

PATIENT COLLECTION

1. Purpose

Aurora Health Care, Inc. and its affiliates (collectively “Aurora”) recognize the importance of maintaining sound debt collection practices while balancing the needs of the communities and patients Aurora serves. This Policy describes the procedure, requirements, and limitations related to Aurora’s internal and external collection efforts used in the event of a Guarantor’s non-payment. Note that certain aspects of this Policy are guided by Aurora’s Financial Assistance Policy (#150).

2. Scope

This policy applies to medical services billed by an Aurora entity that have been provided by an Aurora hospital or an Aurora employed medical professional.

3. Definitions

Account – An account receivable based on services furnished by Aurora.

Bad Debt Account – An Account with a Self Pay Balance that has remained unpaid following reasonable internal collection efforts consistent with this Policy.

Contracted Collection Agency – A contracted vendor providing debt collection services on behalf of Aurora.

Extraordinary Collection Actions (ECAs) – The following actions are considered Extraordinary Collection Actions: (a) reporting a Guarantor to a credit reporting agency, (b) selling a Guarantor’s debt to another party, (c) placing a lien on a Guarantor’s property, (d) attaching or seizing a Guarantor’s bank account or any other personal property, (e) commencing a civil action against a Guarantor, (f) causing a Guarantor’s arrest, (g) causing a Guarantor to be subject to a writ of body attachment, (h) garnishing a Guarantor’s wages, and (i) deferring or denying, or requiring a payment before providing, medically necessary care because of an Guarantor’s nonpayment of one or more bills for previously provided care covered under the FAP. ECAs against a Guarantor include ECAs against any other individual who has accepted or is required to accept responsibility for the Guarantor’s Account.

FAP - Aurora’s Helping Hand Program Financial Assistance Policy.

First Placement Agency(s) – Contracted Collection Agency(s) that receive and service Placed Accounts which are being placed for the first time with an outside collection agency.

Guarantor – The person or groups of persons that assumes responsibility of payment for all or part of a debt owed to Aurora.

Placed Account – A Guarantor’s Bad Debt Account that has been placed with a Contracted Collection Agency.

Second Placement Agency(s) – Contracted Collection Agency(s) that receive and service Placed Accounts which are being placed for the second time with an outside collection agency.

Self Pay Balance – The portion of a Guarantor’s bill that the Guarantor is legally responsible for paying.

Skip-tracing – Attempts to locate the correct address and or phone number of the Guarantor.

4. Policy

4.1 Permitted Internal Collection Methods. Examples of collection methods Aurora may use to collect Self Pay Balances from Guarantors include:

- 4.1.1 Face to face appointments with the Guarantor
- 4.1.2 Telephoning, mailing, and/or emailing the Guarantor
- 4.1.3 Written notice to the Guarantor of non-payment and amounts due via mail or electronic mail
- 4.1.4 Skip-tracing

4.2 Prohibited Collection Methods. Aurora will not use, nor permit a Contracted Collection Agency to use, any of the following debt collection methods:

- 4.2.1 Causing a Guarantor’s arrest
- 4.2.2 Causing a Guarantor to be subject to a writ of body attachment
- 4.2.3 Attaching or seizing Guarantor’s bank account or any other personal property
- 4.2.4 Foreclosing on a Guarantor’s property
- 4.2.5 Any debt collection activity that would interfere with the provision, without discrimination, of emergency medical care
- 4.2.6 Any other debt collection activity prohibited by state or federal law

4.3 Limited Use of Extraordinary Collection Actions. Aurora shall not undertake, nor permit a Contracted Collection Agency to undertake, any Extraordinary Collection Actions within 240 days after the date of a Guarantor’s first post-discharge billing statement or at any time against a Guarantor while such Guarantor’s financial assistance application is in a pending review status. In the event Aurora or a Contracted Collection Agency has taken an Extraordinary Collection Action against a Guarantor who subsequently is determined to be eligible for assistance under the FAP, then Aurora (or the Contracted Collection Agency, as applicable) shall take measures to reverse the Extraordinary Collection Action. The policy and procedures for permissible deferral or denial of care based on a past Self Pay Balance is found in the FAP.

4.4 Reasonable Efforts to Determine FAP Eligibility. Before referring a Bad Debt Account to a Contracted Collection Agency, Aurora must ensure reasonable efforts were made to determine whether the Guarantor is eligible for assistance under the FAP. Such reasonable efforts shall include, but are not limited to, the following:

- 4.4.1 When Patient Account Services makes phone contact with a Guarantor, the Caregiver shall explore the possibility that the Guarantor is FAP-eligible.
- 4.4.2 When a Guarantor requests information regarding financial assistance, Patient Account Services shall provide the requested information and explore the possibility that the Guarantor is eligible under for assistance under the FAP.
- 4.4.3 Aurora shall include, on all billing statements, a conspicuous written notice that includes: (i) notification and information about the availability of the FAP, (ii) a telephone number of the office or department at Aurora that can provide

information about the FAP and the FAP application process, and (iii) the direct Web site address where copies of the FAP, the FAP application form, and plain language summary of the FAP may be obtained.

- 4.5 Placement of Bad Debt Accounts.** Bad Debt Accounts of at least five dollars may be placed with a Contracted Collection Agency any time after a Self Pay Balance remains delinquent for four 28-day billing statement cycles.
- 4.6 Suspension of Collection Efforts.** In the event a Guarantor timely submits an FAP application (i.e. prior to the 240 day deadline provided for in the FAP), then Aurora (or the Contracted Collection Agency, as applicable) shall suspend any current collection activity on the Bad Debt Account until such time the Guarantor's eligibility under the FAP is determined.
- 4.7 Permitted External Collection Methods.** Contracted Collection Agencies may use the following collection methods in an attempt to collect placed Bad Debt Accounts:
- 4.7.1** Telephoning, mailing, and/or emailing the Guarantor
 - 4.7.2** Skip-tracing
 - 4.7.3** Using internet based payment portals and web based chats sessions
 - 4.7.4** Reporting Bad Debt Accounts to credit reporting agencies
 - 4.7.5** Initiation of civil actions in accordance with the procedures contained in this policy
- 4.8 Civil Litigation to Collect Bad Debt Accounts.** Aurora may authorize its Contracted Collection Agencies to initiate civil litigation in an effort to obtain payment on Bad Debt Accounts. Contracted Collection Agencies must use the law firm of Aurora's choosing. Once a Bad Debt Account is referred for litigation, the law firm may pursue money judgment, lien attachment to assets, and garnishment of wages.
- 4.9 FDCPA Compliance.** While engaging in collection efforts to obtain payment from Guarantors, Aurora shall comply, and shall ensure Contracted Collection Agencies comply, with all state and federal laws and regulations related to the collection of debts including, but not limited to, the Fair Debt Collection Practices Act (FDCPA).
- 4.10 No Waivers.** Aurora may not permit Guarantors to waive any of the protections or procedures contained in this Policy.

5. Procedures

5.1 Notification of Financial Assistance Policy During and Prior to Collection Actions.

- 5.1.1 Conspicuous Written Notice on Billing Statements.** Aurora shall include, on all billing statements, a conspicuous written notice that:
- (i) Provides notification and information about the availability of the FAP, including the Plain Language Summary of the FAP (as that term is defined in the FAP);
 - (ii) Lists a telephone number of the office or department at Aurora that can provide information about the FAP and the FAP application process;
 - (iii) Lists the direct Web site address where copies of the FAP, the FAP application form, and plain language summary of the FAP may be obtained;
 - (iv) Informs the Guarantor about the collection actions Aurora or its Contracted Collection Agencies may take if the Guarantor does not submit a FAP application (and is approved) or pays the amount due and

also provides that no Extraordinary Collection Actions will be taken until at least within 240 days after the date of a Guarantor's first post-discharge billing statement.

5.1.2 Oral Summary. During the 120 days after the date of the Guarantor's first post-discharge billing statement, Aurora shall inform the Guarantor about the FAP in all oral communications with the Guarantor regarding the amount due for the care. Such communication shall include making a reasonable effort to notify the Guarantor how to obtain assistance with the FAP application.

5.2 Eligibility for Financial Assistance.

5.2.1 Reasonable Efforts to Determine Eligibility for Financial Assistance. The Aurora Patient Accounts Services Department shall coordinate with the Aurora Health Care Financial Advocates to ensure reasonable efforts are made to determine whether a Guarantor is eligible for assistance under the FAP. See Aurora's Financial Assistance Policy – Helping Hand Program (#150). Reasonable efforts include the provision of the written notice provided for in Section 5.1.1.

5.2.2 Application for Financial Assistance. If a Guarantor submits an application for financial assistance, such Guarantor's Account(s) will be removed from Aurora's internal collection activity and withheld from collection agency placement as long as the application for financial assistance is in pending review status.

5.3 Internal Collection Efforts. When a Guarantor's Account indicates a Self Pay Balance, Aurora may utilize the permitted collection methods described in Section 4.1 above in an effort to obtain payment from the Guarantor. Such efforts may continue until (1) the Guarantor satisfies the Self Pay Balance in full, (2) the Guarantor agrees to and continuously complies with a payment plan, or (3) the Account is deemed a Bad Debt Account.

5.4 Referral to First Placement Agencies. Once an Account is deemed to be a Bad Debt Account, Aurora may refer the Account to a First Placement Agency. Aurora will contract with First Placement Agencies to ensure compliance with this Policy.

5.5 Referral to Second Placement Agencies. After placing and recalling an account with a First Placement Agency, Aurora may subsequently place an Account with a Second Placement Agency. Aurora will contract with Second Placement Agencies to ensure compliance with this Policy.

5.6 Referral to Litigation. First Placement and Second Placement Agencies may refer a Bad Debt Account to a law firm of Aurora's choosing for civil litigation only after Aurora expressly authorizes such referral.

5.7 Bankruptcy. Aurora shall recall a Placed Account in the event Aurora receives notice that the Guarantor has filed for bankruptcy protection; provided that if such Placed Account has already been referred to litigation pursuant to Section 5.6, then such law firm shall continue to have the account and shall continue to represent Aurora's rights and obligations under such bankruptcy proceeding.

5.8 Deceased Guarantors. Aurora shall recall a Placed Account in the event Aurora receives notice that the Guarantor of such Placed Account has deceased; provided that if such Placed Account has already been referred to litigation pursuant to Section 5.6, then such law firm shall continue to have the Placed Account and shall continue to represent Aurora's rights and obligations under applicable probate and estate proceedings. Aurora

may also engage a separate vendor to continue collection efforts in a probate or other similar estate actions.

Cross References: Financial Assistance Policy-Helping Hand Program; Aurora Patient Financial Responsibility Policy; 26 U.S.C. § 501(r)

Owner: Manager of Patient Account Services

References: None

Review Dates: