I. PURPOSE

Advocate Aurora Health and its affiliates (collectively “AAH”) recognize the importance of maintaining sound debt collection practices while balancing the needs of the communities and patients AAH serves. This Policy describes the procedure, requirements, and limitations related to AAH’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 the FINANCIAL ASSISTANCE POLICY. The policies and procedures stated herein are intended to comply with Wisconsin and Illinois State regulations, Fair Debt Collection Practices Act and 501(r) of the Internal Revenue Code and related guidance.

II. SCOPE

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

III. DEFINITIONS/ABBREVIATIONS

A. Account – An account receivable based on services furnished by AAH.

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

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

D. 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 a 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.

E. FAP - Financial Assistance Policy.
F. Guarantor – The person or groups of persons that assumes responsibility of payment for all or part of a debt owed to AAH.

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

H. Plain Language Summary (PLS)- A clear and concise written description of AAH’s Financial Assistance Policy using easy to understand language.

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

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

IV. POLICY

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

   1. Face to face appointments with Guarantor.
   2. Telephoning, text messaging, mailing, and/or emailing the Guarantor.
   3. Written notice to the Guarantor of non-payment and amounts due via mail or electronic mail.
   4. Skip-tracing.

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

   1. Causing a Guarantor’s arrest.
   2. Causing a Guarantor to be subject to a writ of body attachment.
   3. Attaching to seizing Guarantor’s bank account or any other personal property.
   4. Foreclosing on a Guarantor’s property.
   5. Commencing a civil action against a Guarantor.
6. Filing of new paperwork garnishing a Guarantor’s wages.

7. Placing a lien on a guarantor’s property.

8. Any debt collection activity that would interfere with the provision, without discrimination, of emergency medical care.

9. Any other debt collection activity prohibited by state or federal law.

C. Payment Plans. AAH offers interest-free, extended payment plans to patients who anticipate difficulty in paying their bill.

D. Limited Use of Extraordinary Collection Actions. AAH 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 AAH 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 AAH (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.

E. Reasonable Efforts to Determine FAP Eligibility. Financial counseling is available to help patients identify available federal or state healthcare coverage programs which may be available to them, as well as to determine eligibility under the FAP. Before referring a Bad Debt Account to a Contracted Collection Agency, AAH 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:

1. Offering the Plain Language Summary of the FAP to the patient prior to discharge from the hospital.

2. When a Guarantor requests information regarding financial assistance, Internal Self Pay Collections Team shall provide the requested information and explore the possibility that the Guarantor is eligible for assistance under the FAP.

3. AAH 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 AAH that can provide information about the FAP and the FAP application process.

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.

F. Placement of Bad Debt Accounts. Bad Debt accounts of at least five dollars may be placed with a Contracted Collection Agency.

G. 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 AAH (or the Contracted Collection Agency, as applicable) shall suspend any current collection activity of the Bad Debt Account until such time the Guarantor’s eligibility under the FAP is determined.

H. Permitted External Collection Methods. Contracted Collection Agencies may use the following collection methods in an attempt to collect placed Bad Debt Accounts:

1. Telephoning, text messaging, mailing, and/or emailing the Guarantor.

2. Skip-tracing.


I. FDCPA Compliance. While engaging in collection efforts to obtain payment from Guarantors, AAH 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).

J. No Waivers. AAH may not permit Guarantors to waive any of the protections or procedures contained in this Policy.

V. PROCEDURE

A. Notification of Financial Assistance Policy (FAP) During and Prior to Collection Actions. This notification will be made in the following ways:
1. Conspicuous Written Notice on Billing Statements. AAH 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; and

ii. Lists a telephone number of the office or department at AAH that can provide information about the FAP and the FAP application process; and

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; and

iv. Informs the Guarantor about the collection actions AAH 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

v. Informs the Guarantor about the collection actions AAH or its Contracted Collection Agencies may take if the Guarantor does not submit a FAP application (and it is approved) or pays the amount due and also provides that no Extraordinary Collection Actions will be taken until at least 240 days after the date of a Guarantor’s first post-discharge billing statement.

B. Eligibility for Financial Assistance.

1. Reasonable Efforts to Determine Eligibility for Financial Assistance. The AAH Internal Self Pay Collections Team shall coordinate with the AAH Financial Advocates/Financial Team to ensure reasonable efforts are made to determine whether a Guarantor is eligible for assistance under the FAP. See FINANCIAL ASSISTANCE POLICY. Reasonable efforts include the provision of the written notice provided for in Section IV(E).

2. Application for Financial Assistance. If a Guarantor submits an application for financial assistance, such Guarantor’s Account(s) will be removed from AAH’s internal collection activity and withheld from collection agency placement as long as the application for financial assistance is in pending review status.
C. Internal Collection Efforts. When a Guarantor’s Account indicates a Self Pay Balance, AAH may utilize the permitted collection methods described in Section IV(A) 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.

D. Referral to Contracted Collection Agencies. Once an Account is deemed to be a Bad Debt Account, AAH may refer the Account to a Contracted Collection Agency. AAH may change which Contracted Collection Agency an account is placed with for any reason. AAH will contract with Contracted Collection Agencies to ensure compliance with this Policy.

E. Bankruptcy. At such time that AAH receives notice that the Guarantor has filed for bankruptcy protection, Placed Accounts will be recalled from a Contracted Collection Agency. Accounts affected by the bankruptcy filing may be routed to an external vendor specializing in bankruptcy procedure. AAH will contract with the vendor to ensure compliance with this Policy and the United States Bankruptcy Code.

F. Deceased Guarantors. At such time that AAH receives notice that a Guarantor is deceased, Placed Accounts will be recalled from a Contracted Collection Agency. Accounts may be routed to an external probate vendor specializing in probate procedure. AAH will contract with the vendor to ensure compliance with this Policy and the Probate Court laws and procedures in the governing state.