

MIDDLESEX HOSPITAL

PROCEDURES FOR REFERRAL OF ACCOUNTS FOR COLLECTION BY AGENCIES

I. SELF-PAY (no insurance)

-Outpatient accounts produce a letter outlining the hospital's financial assistance programs followed by 3 statements to the patient at 30-day intervals. Accounts are reviewed after the last statement; if there has been no activity, a final letter is sent advising that referral to a collection agency is imminent and the account is moved to doubtful status (see description of doubtful status attached) after 2 weeks. If any payments have been made during the statement cycle, follow up would be a letter or a phone call offering to set up payment arrangements.

-Inpatient accounts, as well as some outpatient accounts over \$2000, are placed with Tobin, Carberry, O'Malley, Riley, Selinger, P.C. (TCORS) within 45 days of discharge. TCORS will establish eligibility with Medicaid or if the patient is not deemed eligible for Medicaid, determine if the account is collectable. Accounts that are deemed uncollectible are returned to the hospital.

II. MEDICARE PRIME

-Accounts reduced to patient balance produce 3 patient statements at 30-day intervals. Accounts are reviewed after the last statement; if there has been no activity, a "pre-collect" letter is sent advising that referral to a collection agency is imminent. The account is reviewed one last time before referral to the agency; if any additional insurance or patient payments have been made during the statement cycle, appropriate action is taken at this time to adjust the balance or contact the patient for payment arrangements. Accounts with no activity are referred to the agency after this final review.

III. COMMERCIAL PRIME (no contract with Middlesex Hospital)

-Accounts are billed to the patient after the insurance pays or if the insurance company is uncooperative/non-responsive. Patients receive 3 statements, at 30-day intervals. After the last statement, accounts are reviewed and a final letter is sent advising that collection activity is pending and the account is moved to doubtful status (see description of doubtful status attached) 2 weeks from the date of the letter. Payments made during the statement cycle would result in further attempts by the Business Office to set up payment arrangements.

IV. MANAGED CARE

-Accounts with copay/deductible balances are billed to the patient every 30 days for a total of 3 statements. These patients then receive a "pre-collect" letter requesting payment

and advising that referral to a collection agency is imminent. A final review of the account is made; if no payments are received, these accounts are referred to the collection agency. Hospital staff would follow up with the patient if there had been any activity on the account before referring to a collection agency.

V. DOUBTFUL STATUS

Accounts referred to doubtful status generate a "last attempt to collect" letter as outlined below.

***** PAST DUE ACCOUNT ***** 5

05
6
06
7
07 THIS ACCOUNT WILL BE REFERRED TO AN OUTSIDE AGENCY FOR
10
08 COLLECTION, UNLESS FULL PAYMENT IS RECEIVED BY:
15
09
20
10 ENTER DATE HERE
24
11
25
12
45
13 SUFFICIENT TIME HAS BEEN EXTENDED TO YOU TO MAKE ARRANGEMENTS
50
14 FOR PAYMENT. PLEASE REMIT AMOUNT INDICATED ABOVE OR CALL OUR
55
15 OFFICE TO ARRANGE FOR USE OF MASTER CARD, VISA, DISCOVER OR
60
16 AMERICAN EXPRESS.
95
17
110
18
REGRETFULLY, _____ 125
05 CREDIT AND COLLECTIONS DEPARTMENT
130
06
140
07
145
08 CREDIT AND COLLECTIONS REPRESENTATIVE 358-4870

Accounts are reviewed one last time, 14 days after the letter is mailed. If the patient has called or made payments during that time, Hospital staff continue to work with the patient attempting to collect the account in-house.

Hospital staff contact patients who have made payments, are disputing a balance or appealing with their insurance company, either by phone or mail, before referring them to collection. The Hospital has many different statement cycles, letters and messages that are used to communicate with patients. Many accounts receive many more than the three standard statements, mentioned in Sections I through IV above in order to ensure patients are given every opportunity to resolve their balance without collection agency activity.

VI. PATIENT STATEMENTS

Every patient statement provides information about free care on the reverse side as well as in the message section on the front side. The statement also provides a means for the patient to send us additional insurance information, a credit card payment, or change of address. All patients with no insurance coverage receive a letter, before billing, notifying them of the hospital's free bed fund and financial assistance programs.

VII. CURRENT COLLECTION AGENTS

As referenced in the Section I, SELF-PAY (no insurance), Middlesex Hospital refers to the law firm of Tobin, Carberry, O'Malley, Riley, Selinger, P.C. (TCORS) located at 43 Broad St., New London, Ct. 06320-0058, inpatient and large dollar (over \$2,000.00) outpatient accounts of Hospital's self-pay patients. TCORS will establish Medicaid eligibility for these patients if possible; otherwise, if TCORS determines the account is collectible, they will direct collect from the patient. Accounts deemed by TCORS uncollectible, are returned to the Hospital as uncollectible.

All other accounts are placed with the MedConn Collection Agency, LLC (MedConn) located at 2049 Silas Deane Highway, Rocky Hill, CT 06067-0359 when they become eligible for collection activity due to non payment of the bill. After all the Hospital dunning statements have been sent to a patient on a patient's account(s), a "pre-collect" letter is then sent to patients with either Medicare or Managed Care prime insurances on MedConn letterhead. If that pre-collect letter does not elicit a response from the patient, the account is placed with the agency for collection. Accounts deemed by MedConn uncollectible, are returned to the Hospital.

**MIDDLESEX HOSPITAL
ELIGIBILITY CRITERIA FOR FINANCIAL ASSISTANCE**

EFFECTIVE DATE: April 1, 2009

PERCENT DISCOUNT ELIGIBLE FOR: PERCENT POVERTY INCOME GUIDELINE:	100% 100%	100% 200%	95% 225%	85% 250%	75% 275%	55% 500%
	POVERTY LEVEL AT OR BELOW:	GROSS ANNUAL INCOME LESS THAN OR EQUAL TO:				
SIZE OF HOUSEHOLD - 1 ADJUSTED GROSS INCOME	\$10,830	\$21,660	\$24,368	\$27,075	\$29,783	\$54,150
SIZE OF HOUSEHOLD - 2 ADJUSTED GROSS INCOME	\$14,570	\$29,140	\$32,783	\$36,425	\$40,068	\$72,850
SIZE OF HOUSEHOLD - 3 ADJUSTED GROSS INCOME	\$18,310	\$36,620	\$41,198	\$45,775	\$50,353	\$91,550
SIZE OF HOUSEHOLD - 4 ADJUSTED GROSS INCOME	\$22,050	\$44,100	\$49,613	\$55,125	\$60,638	\$110,250
SIZE OF HOUSEHOLD - 5 ADJUSTED GROSS INCOME	\$25,790	\$51,580	\$58,028	\$64,475	\$70,923	\$128,950
SIZE OF HOUSEHOLD - 6 ADJUSTED GROSS INCOME	\$29,530	\$59,060	\$66,443	\$73,825	\$81,208	\$147,650
SIZE OF HOUSEHOLD - 7 ADJUSTED GROSS INCOME	\$33,270	\$66,540	\$74,858	\$83,175	\$91,493	\$166,350
SIZE OF HOUSEHOLD - 8 ADJUSTED GROSS INCOME	\$37,010	\$74,020	\$83,273	\$92,525	\$101,778	\$185,050
FOR FAMILY UNITS OF MORE THAN 8 MEMBERS, ADD TO ADJUSTED GROSS INCOME FOR EACH ADDITIONAL MEMBER:	\$3,740	\$7,480	\$8,415	\$9,350	\$10,285	\$18,700

ADJUSTED GROSS INCOME IS DEFINED AS WAGES, SALARIES, TIPS, ALIMONY RECEIVED, ETC. PLUS INTEREST AND OTHER INVESTMENT INCOME LESS ALIMONY PAID AS DEFINED BY IRS REGULATIONS. PERSONS WITH SCHEDULE A ITEMIZED DEDUCTIONS MAY BE GIVEN SPECIAL CONSIDERATION IF THEY PROVIDE A COPY OF THEIR MOST RECENT FEDERAL INCOME TAX RETURN. DISCOUNTS AND ADJUSTED GROSS INCOME LEVELS ARE SUBJECT TO CHANGE WITH CHANGES IN THE POVERTY INCOME GUIDELINES, FEDERAL TAX LAWS AND AT THE DISCRETION OF THE MIDDLESEX HOSPITAL.

Middlesex Hospital

Policy: Uncompensated Care Policy

Purpose: To define Middlesex Hospital's policy regarding uncompensated care.

Overview

Middlesex Hospital has always maintained a commitment to provide health care services to all those in need regardless of their ability to pay for those services. Middlesex Hospital's payment policies are intended to insure its ongoing financial viability and, as such, it pursues all avenues available to obtain payments. Middlesex Hospital will make every reasonable effort to assist patients in making payment arrangements for services or in obtaining financial assistance to which they are entitled.

If a patient has the means to pay for services, has been adequately notified of his liability, and does not make payment or acceptable arrangements, Middlesex Hospital uses appropriate methods to pursue collection. These methods include using collection agencies and attorneys to recover balances due including interest, court costs, and attorney fees, where applicable.

If a patient indicates an inability to pay, free care, or care provided at reduced rates, is available providing specific low-income guidelines are met. The federal poverty-income guidelines and state statute are used to determine the level of uncompensated care. The federal government adjusts these guidelines for inflation annually in April.

Collection agencies and attorneys in following their normal collection process and federal poverty income guidelines may determine that certain patients do not have the means to pay for services qualifying them for free care. Middlesex Hospital also grants Charity Care to these patients.

Middlesex Hospital makes administrative decisions to grant Charity Care to patients with circumstances that preclude them from completing the application process, such as patient being homeless.

Free Bed Funds

Middlesex Hospital has Free Bed Funds that are used to provide free care for patients. These funds are trusts or endowments established by various individuals and companies. Middlesex Hospital uses the annual income (if any) generated from the investment of these funds to provide free care to patients who have no other means of payment. Signs are posted in conspicuous public places within the hospital, including but not limited to admission and registration offices, emergency rooms, social services offices and patient accounts or billing offices, in English and Spanish, to notify patients of the availability of these Free Bed Funds. The signs and individual notices inform the patient of the existence of Middlesex Hospital Free Bed Funds and Middlesex Hospital's program to administer them and the person to contact for application information.

Each of these Funds has restrictions that govern its use. For example, the Fund may be restricted to patients who are residents of specific towns and members of the families or employees of the companies who established the Fund. In some instances, eligibility determinations are not made by Middlesex Hospital, but by town selectmen or church clergy chosen by the individuals or companies who established the Fund.

Although these Funds are not restricted by specific income guidelines, the subjective terminology (i.e. poor, needy, etc.) describes the financial status of the patients eligible for these Funds. Middlesex Hospital has decided that in the absence of specific income guidelines, priority will be given to persons meeting the federal poverty-income guidelines. Applicants will be screened for financial eligibility first and then a Fund will be selected based on compliance with the other restrictions. If the patient is eligible for financial assistance and there are no Funds with available money or applicable for the patient, Middlesex Hospital will use Charity Care.

Middlesex Hospital will use a sliding scale based on multiples of the Poverty Income Guidelines to determine the percent of assistance for which the patient is eligible. Accounts will be adjusted using the appropriate transaction code assigned to each fund to reduce the balance to the amount due from the patient. If there is a difference between the money available from the Free Bed Funds and the amount of assistance for which the patient is eligible, the difference will be considered Charity Care. The patients will be billed only for the remaining account balance not eligible for Free Bed Funds and/or Charity Care.

Charity Care

Patients will continue to be provided Charity Care in the event that Free Bed Funds monies are not available or not applicable to the patient. The same sliding scale using multiples of the Poverty Income Guidelines will be used for the Charity Care eligibility determination. The determination may be made prior to the patient receiving service or after the service has been rendered, but prior to classification of the uncollected amount as a bad debt. Notice of Free Bed Funds and Charity Care availability is also provided patients in bad debt collection by the collection agency. Patients in bad debt collection who indicate an inability to pay are returned to Middlesex Hospital for an eligibility determination. The patient must provide proof of income as per application instructions and Middlesex Hospital will validate that there are no other sources of payment. The sliding scale will be limited to the balances due from patients. The amount of the Charity Care will be written off as a Charity Care allowance. These adjustments will be recorded in order to document the Charity Care provided to Middlesex Hospital's patients. Patients are responsible for paying any balance remaining after the Charity Care allowance has been applied.

In some cases, a patient may have substantial assets despite falling within the income range set out in the sliding scale to make the patient potentially eligible for Free Bed Funds or Charity Care. Therefore, before determining eligibility, the patient's assets and other relevant factors are considered. However, under no circumstances will Middlesex Hospital collect from the patient more than the "cost" of providing services in the event the patient is determined to have income at or below 250% of the poverty income guidelines and otherwise meets the definition of "Uninsured Patient" set out in P.A.03-266.

Record Keeping

Middlesex Hospital will maintain records of all Financial Assistance applications, approvals, and transactions, including those for Free Bed Funds, pursuant to state statute.