

Union Medical Group  
Terre Haute, Indiana  
Revenue Cycle  
Policy RC- 10

Effective Date: September 21, 2017  
Authorized by: Hospital CFO &  
UAP Clinic Managing Member

**FUNCTIONAL AREA:** Revenue Cycle  
**DEPARTMENT:** Patient Accounts  
**SUBJECT:** Collections Policy for Union Medical Group  
**ISSUED BY:** UAP Clinic, LLC  
Union Hospital, Inc.

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**POLICY:** Set guidelines for the timely and efficient collection of funds and extension of credit to patients in a fair and consistent manner by Union Medical Group – which is a collaboration between Union Associated Physicians Clinic, LLC ("UAP Clinic") and Union Hospital, Inc. ("Union Hospital"). These policies and procedures must be applied in the context of appropriate business practices and to protect the assets of Union Medical Group. These policies and procedures will be consistent with federal and state rules and regulations. These policies and procedures will apply for (a) UAP Clinic, and (b) any physician, nurse practitioner, or physician assistant employed by Union Hospital -- whether at Union Hospital Terre Haute, Union Hospital Clinton, or any other location.

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**PROCEDURE:**

1.	<u>Patient Responsibility</u> The guarantor of the account is financially responsible for all patient due balances on the account. This Policy will be part of our routine patient information. New patients will be mailed this Policy.
2.	<u>Contracted Insurance Patients</u> 1. The patient is required to fulfill the financial terms of the contracted insurance. 2. Co-pays will be collected the day of service or if not paid, that appointment will be cancelled. 3. Co-insurance and deductibles related to procedures in the office, at the surgery center, and the hospital will be communicated and collected. 4. Union Medical Group will file all primary and secondary insurances.

3.	<p><u>Commercial Insurance Patients</u></p> <ol style="list-style-type: none"> <li>1. Union Medical Group will file primary insurance.</li> <li>2. Co-insurance and deductibles related to procedures in the office, at the surgery center, and the hospital will be communicated and collected.</li> <li>3. Secondary insurance will be filed after primary insurance pays.</li> </ol>
4.	<p><u>Self Pay Patients</u></p> <p>A deposit of \$100 will be required at the time of scheduled office visits. For procedures, a deposit of 50% will be required prior to the procedure being scheduled.</p>
5.	<p><u>Extension of Credit</u></p> <p>Extension of credit is a formal process with approval by the Credit Department. Patients are not allowed to determine their own payment arrangements. Patients who do not adhere to the terms of a credit arrangement may be referred to a collection agency, subject to Section 9 of this Policy.</p> <p>Monthly statement messages will be used on a progressively more demanding basis to advise patients that they are not compliant with our credit policies. Once a final warning has been sent indicating non-payment or non-compliance with our credit policies, action will be taken by the Credit Department. This action will be lock-out, termination, or turnover to a collection agency, subject to Section 9 of this Policy. Once action has been taken against a patient for non-compliance, the action taken is in effect for all departments.</p> <p>Under no circumstances will physicians or staff deny access to healthcare for any patient undergoing current treatment. Continuity of care will always be followed, including follow up care after treatment or surgery.</p>
6.	<p><u>Accounts Receivable Balances</u></p> <ol style="list-style-type: none"> <li>1. For accounts receivable balances under \$500, payments on account will be a minimum of \$50 per month.</li> <li>2. For accounts receivable balances between \$500 and \$1,000 payments on account will be a minimum of \$100 per month.</li> <li>3. For accounts receivable balances over \$1,000 but less than \$2,500 payments on account will be a minimum of \$200 per month.</li> <li>4. For accounts receivable balances over \$2,500 the Credit Department will establish specific terms with the patient. The minimum payments will be \$250 per month.</li> </ol> <p>Any exceptions to these requirements will be determined by the Senior Director of Business Services on a case-by-case basis based upon an individual's particular facts and circumstances.</p>

7.	<p><u>Negotiated Settlements of Account Balances</u></p> <p>In some instances, it may be in Union Medical Group's best financial interest to negotiate a paid in full settlement on an account. For account balances up to \$5,000 the Credit Manager may negotiate a paid in full settlement after the Credit Manager determines that all other means of collection and the patient's financial status has been reviewed. The minimum payment in full will be the Medicare allowable for services rendered.</p> <p>For negotiated settlements \$5,000 and greater, the Senior Director of Business Services will approve the statement the Credit Manager arranges. The minimum payment in full will be the Medicare allowable for services rendered.</p>
8.	<p><u>Deposits for Retail Services, Ancillary Services, and Certain Medical Services</u></p> <p>Deposits may be required for retail services such as eye glasses, ancillary services such as hearing aids, and certain medical services such as OB.</p>
9.	<p>Collection Procedures</p> <p>1. A patient/guarantor who has not responded satisfactorily to Union Medical Group's efforts to determine his/her eligibility for Patient Financial Assistance and/or make arrangements for payment on an account within 150 days from the payment due date, may be referred for collection efforts.</p> <p>2. Union Medical Group may engage in any of the following collection activities:</p> <ul style="list-style-type: none"> <li>a. Automated dunning messages;</li> <li>b. Form letters and personal letters;</li> <li>c. Telephone calls;</li> <li>d. Final notice statements;</li> <li>e. Referral to a self-pay outsourcing service;</li> <li>f. Referral to the attorney for Union Hospital or UAP Clinic, as applicable; and/or</li> <li>g. Referral to any clinic-contracted collection services.</li> </ul> <p>2. 3.3 Extraordinary Collection Actions (ECAs) – The term "ECAs" is defined by Code Section 501(r) and its corresponding Treasury Regulations to include (but be not limited to) any actions that require a legal or judicial process. Union Medical Group, its collection agencies, and their respective representatives will not undertake any ECA until after reasonable efforts have been made to determine whether the individuals' accounts are eligible for assistance under Union Medical Group's Financial Assistance Policy. The ECAs that may be undertaken shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <li>a. Placing a lien on an individual's property;</li> </ul>

- b. Garnishing an individual's wages;
- c. Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus; and/or
- d. Selling an individual's debt to a third party.

3 UAPC Clinic may not engage in any of the following collection activities:

- a. Foreclosure or sale of patients' (or the responsible parties') assets;
- b. Use of body attachments; and/or
- c. Garnishment of wages unless determination is made on an individual basis that the patient (or the responsible party) has sufficient income to satisfy the outstanding debt.

Other than activities specifically precluded by this Policy, Union Medical Group may engage in any actions, including ECAs (subject to the restrictions above), to obtain payment of a bill for medical care.

4. Union Medical Group may take an ECA involving a patient who fails to apply for Financial Assistance within 120 days from the date the first statement was made available to the individual but shall suspend any such ECA, pending a determination of eligibility, if the individual submits a Financial Assistance application within 240 days of such first statement.

5. The Financial Assistance Committee shall have responsibility for determining that Union Medical Group has made reasonable efforts to determine whether an individual is eligible for financial assistance and may therefore engage in one or more ECAs against the individual.