



LOST RIVERS MEDICAL CENTER

SUBJECT/TITLE: Facility Billing Policy	PAGE: 1 OF 9
DEPARTMENT/SCOPE: All affiliated Facilities of Lost Rivers Medical Center (“LRMC”) including, but not limited to, all departments, employees, independent contractors, and billing and collection vendors.	OWNER: LB

1.0 DEFINITION:

- 1.1 Consumer: any person who is considering receiving, is receiving, or has received a health care service or supply as a patient from Lost Rivers Medical Center. The term includes the personal representative of the patient.
- 1.2 Facility: any entity owned by or affiliated with Lost Rivers Medical Center.
- 1.3 Patient Financial Assistance Policy: a specified discount and partial or complete write-off of patient’s responsibility based upon Lost Rivers Medical Center’s adopted written policy in effect.
- 1.4 Policy: Facility Billing Policy.
- 1.5 Prompt Payment Discount Policy: a 20% discount and partial write-off of a qualifying patient’s responsibility to Lost Rivers Medical Center based upon LRMC’s adopted written policy in effect.
- 1.6 Service(s): for purposes of this policy, the term “service” shall include all inpatient and outpatient and/or other health care services offered by Lost Rivers Medical Center.
- 1.7 Uninsured Discount: for purposes of this policy, the term “uninsured discount” shall mean partial write-off of amounts due to Lost Rivers Medical Center from uninsured patients for the provision of services. Uninsured discounts will not be applied to court mandated balances.
- 1.8 Uninsured: for purposes of this policy, the term “uninsured” shall mean those individuals without commercial or government (including Medicare/Medicaid) health insurance.

2.0 PURPOSE:

- 2.1 To define Lost Rivers Medical Center standards associated with providing patients with notification of available discounts, a complaint process, and any information related to payment for medical services provided to patients. This Policy is intended to work in tandem with Lost Rivers Medical Center Financial Assistance Policy, Professional Courtesy Discount Policy, Prompt Pay Discount Policy, and Uninsured Discount Policies as well as any future policies to be adopted in the future.



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3.0 POLICY:

3.1 Provision of Cost Estimates:

LRMC coding department shall provide an estimate of the Facility's charges for any service on request and before the scheduling of the service with the Consumer's physician or other medical provider. The estimate must be provided not later than the 10th business day after the date on which the estimate is requested by a Consumer. The Facility must advise the Consumer as part of its estimate that:

- 3.1.1 the request for an estimate of charges may result in a delay in the scheduling and provision of the service;
- 3.1.2 the actual charges for a service may vary based on the person's medical condition and other factors associated with performance of the service;
- 3.1.3 the actual charges for a service may differ from the amount to be paid by the Consumer or the Consumer's third-party payor;
- 3.1.4 the Consumer may be personally liable for payment for the services depending on the Consumer's health benefit plan coverage; and
- 3.1.5 the Consumer should contact the Consumer's health benefit plan for accurate information regarding the plan structure, benefit coverage, deductibles, copayments, coinsurance, and other plan provisions that may impact the Consumer's ultimate financial liability for payment for the services provided by the Facility.

3.2 Provision of Itemized Bills:

- 3.2.1 The billing department shall provide to the Consumer at the Consumer's request an itemized statement of the billed services if the Consumer requests the statement not later than the first anniversary of the date the patient is discharged from or service is provided by the Facility. The Facility shall provide the statement to the Consumer not later than the 10th business day after the date on which the statement is requested.
- 3.2.2 The billing department shall provide an itemized statement of billed services to a third-party payor who is actually or potentially responsible for paying all or part of the billed services provided to a patient and who has received a claim for payment of those services. To be entitled to receive a statement, the third-party payor must request the statement from the Facility and must have received a claim for payment. The request must be made not later than one year after the date on which the payor received the claim for payment. The Facility shall provide the statement to the payor not later than the 30th day after the date on which the payor requests the statement. If a third-party payor receives a claim for payment of part but not all of the billed services, the third-party payor may request



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an itemized statement of only the billed services for which payment is claimed or to which any deduction or copayment applies.

3.3 Application of Interest to Past Due Bills:

3.3.1 LRMC will ensure that in an effort to make high quality, convenient health care affordable to all in the communities it serves, no Facility will apply interest to the patient’s or Consumer’s portion of billed services. However, interest will be applied to claims sent to a collections agency according to their policy allowed under federal law for claims sent to them for untimely payment of claims after 90 days or three billing statements with no payment.

3.4 COLLECTIONS PROCEDURE:

3.4.1 Athena shall submit billing statements to the patient three (3) times once every thirty (30) days;

3.4.2 In addition, Athena shall make two attempts, by phone, during the first ninety- (90) day period to contact the patient and collect any amounts owed;

3.6.3 In the event that the Athena is able to communicate with the Patient but unable to collect any amounts owed in full, the Hospital may offer the Patient a “Prompt Pay Discount” of twenty (20) percent of the total amount owed. The amount of the discount offered should reflect the administrative savings to the Hospital from avoiding additional collection expenses and the likelihood that the entire debt becomes uncollectable if the discount is not provided;

3.6.4 In the event that the Hospital is unable to collect the amounts owed from the Patient after the foregoing steps are taken, Hospital may write off the debt as uncollectable; and

3.6.5 In the event that the Hospital writes off the debt as uncollectible, Hospital shall not take any further action regarding the debt which includes but is not limited to (i) referring the debt to a third party collection agency or (ii) reporting the matter to a credit reporting agency.

3.5 CHANGES AND REVISIONS:

3.7.1 This policy is subject to modification or revision in part or in its entirety to reflect changes in conditions subsequent to the effective date of this policy.



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3.8 RESPONSIBILITIES

3.8.1 Executives/Management

3.8.1.1 Provide training for work force

3.8.1.2 Enforce policy and procedure

3.8.1.3 Periodic review and update of policy and procedure

3.8.1.4 Coordinates and implements policy through organization’s departments

3.8.1.5 Receives and processes complaints or violations

3.8.2 Employees

3.8.2.1 Understand and comply with organization’s policies regarding collection of Non Patient Laboratory Services.

3.9 Notice of Availability of Financial Assistance & Other Discount Policies:

3.9.1 This Policy is intended to work in tandem with any applicable Patient Financial Assistance Policy, Upfront Collection Policy and Patient Financial Policy based on patient/guarantor eligibility under Lost Rivers Medical Center guidelines and any other discount policies that might be adopted, including but not limited to any Prompt Pay Discount, Sliding Scale Discount Program Policy & Procedure

3.9.2 Each Facility shall post in the general waiting area and in the waiting areas of any off-site or on-site registration, admission, or business office a clear and conspicuous notice of the availability of the policies Financial Assistance and other discount policies available to the Patient/Consumer.

3.9.3 Employees are offered a 70% discount on all self-pay claims or claims that have reached self-pay after insurance. Employees will be subject to the same policies as the consumer’s. Employees must make payments in a timely manner with a payment amount based on the payment scale listed in the patient financial policy. **Employees that have adult children over the age of 18, or are providing care for grandchildren can get the employee discount on those individuals if they can provide proof that they are claiming them as a dependent on their taxes. Each case will be evaluated and a reviewed for appropriate determination of the benefit.**



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3.10 Cost Reports:

3.10.1 Lost Rivers Medical Center will ensure that its cost report reflects full uniform charges (not discounted amounts) and will make its fiscal intermediary aware that it has reported its full charges on its cost report. Amounts discounted under this Policy may not be accounted for or written off as Bad Debt.

3.11 Consumer Overpayments:

3.11.1 If a Consumer overpays a Facility, the Facility must refund the amount of the overpayment not later than the 30th day after the date the Facility determines that an overpayment has been made. This Policy does not apply to an overpayment by a third-party private insurance payor.

3.12 Consumer Complaints:

3.12.1 Each LRMC Facility must make available a physical drop box located in the waiting room of the Facility along with index cards or an appropriate form to allow a Patient or Consumer to provide an anonymous complaint or recommendation to improve service at Facility. The Compliance Officer will also provide in its written notifications and disclosures to patients either at the time the Patient or Consumer is first admitted to the Facility or first receives services at the Facility an e-mail address to the appropriate Facility employee responsible for quality control to report any complaints or recommendations to improve service at the Facility.

3.13 Annual Review of Policy:

3.13.1 This Policy shall be reviewed annually by Lost Rivers Medical Center, who may propose revisions to this Policy based on such reviews.



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4.0 PROCEDURE:

- 4.1 Lost Rivers Medical Center and any LRMC-affiliated Facility shall not advertise the availability of any discounts.
- 4.2 LRMC will ensure a conspicuous written notice in English is posted in the general waiting area and in the waiting areas of any off-site or on-site registration, admission, or business office a clear and conspicuous notice of the availability of Uninsured Discount, Financial Assistance, Professional Courtesy, and Prompt Pay Discount Policies, and any other discount policies adopted by Lost Rivers Medical Center.
- 4.3 LRMC will ensure a conspicuous written notice in English is posted in the general waiting area and in the waiting areas of any off-site or on-site registration, admission, or business office a clear and conspicuous notice of the availability of the estimate of charges, itemization of billed charges after treatment, and how to make a complaint to the Facility.
- 4.4 **Approval and Reporting:**
 - 4.4.1 Management –is responsible for the oversight of all discount policies of the Company as well as the provision of estimates and itemized statements to Patient/Consumers. Management is responsible for the day-to-day management and application of LRMC discount policies as well as the provision of estimates and itemized statements to Patient/Consumers.
 - 4.4.2 Approval – LRMC’s business office, billing or collection personnel shall review all available information and determine the appropriate level of discount to be afforded in accordance with procedures established by this Policy and any guidance provided by policy. If a Consumer or third-party payor disputes the application of or denial of any discount, then final approval of any discount shall be made by the CFO.
 - 4.4.3 Reporting – All financial adjustments made as a result of LRMC’s discount policies must be logged on the patient’s account at the time the discount is recorded. At a minimum, the discount log must contain the following information: patient’s name, amount of discount, patient account number and adjustment code used. (e.g., Financial Assistance, Prompt Pay, Professional Courtesy), if applicable. Documentation shall be maintained by the business office for the period required by the facilities record retention policy.

4.5 Responsible Parties:

4.5.1 Chief Financial Officer

- 4.5.1.1 Responsible for oversight of the facilities discount policies and final approval of LRMC’s discount applied to each Patient/Consumer, if needed.



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4.5.1.2 Responsible for internal controls and processes to appropriately record financial adjustments in the LRMC’s books on a monthly basis.

4.5.1.3 Responsible in overseeing the billing office for ensuring all overpayments made by a Patient/Consumer are refunding in compliance with the policy above.

4.5.2 Business Office/Billing/Collection Personnel

4.5.2.1 Responsible for informing all patients through the notice, required above, of the existence of the facilities discounts, availability of estimates, and itemization of billed charges, as provided above.

4.5.2.2 Responsible for the retention of documentation relating to the determination of availability of the facilities discounts, availability of estimates, and itemization of billed charges, as provided above.

4.5.2.3 Responsible for providing information for patients who request estimate of charges and requesting itemization of bill charges as provided by this Policy.

4.5.2.4 Shall review all available information and determine the appropriate level of prompt pay discount to be afforded in accordance with procedures established by this Policy and any guidance provided by LRMC’s CFO.

4.5.2.6 Shall provide notice to any third-party payor of the amount of any discount applied to the patient’s account. Shall also assist CFO in applying and communicating with Consumers or third-party payors regarding estimates, billing, or discount issues.

4.5.3 Business Office Manager

4.5.3.1 Responsible for ensuring all reception staff, customer service, business office, and billing and collection personnel and/or independent contractors are trained regarding the discounts, complaint, cost estimate, and itemization of billing policies available to Patients and/or Consumers.

4.5.4 Admissions/Reception Staff

4.5.4.1 Responsible for ensuring written notices required by this Policy are provided to Patients and/or Consumers.

4.5.4.2 Responsible for providing assistance to patients with financial assistance according to LRMC’s Financial Arrangement and Assistance Policy



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4.6 Consequences for Violation of Policy:

- 4.6.1 Violation or misuse of this Policy may constitute grounds for immediate disciplinary action, up to and including termination of employment, service, or association with Company. Violation of the laws and regulations upon which this Policy is based may result in possible civil and/or criminal action.
- 4.6.2 Knowledge of a violation or potential violation of this Policy must be reported directly to the General Counsel. Failure to do so is considered a violation of this policy and may lead to disciplinary action, including up to termination of employment, service, or association with Company.

4.7 Patient Payment Plans

4.7.1 When establishing Patient Payment Plan the following chart will be taken into consideration:

Guidelines for Payment Plans

Balance on Account:	Minimum Amount Due:	Payment Schedule (One year maximum)
\$0.00 - \$50	\$25.00	2 equal payments
\$51 - \$100	\$35.00	2 equal payments +
\$101 - \$500	\$50.00	2 equal payments +
\$501 - \$1,000	\$100.00	5 equal payments +
Over \$1,000	\$200.00	5 equal payments +

+ (equal payments based on the amount to pay off balance within a year or divide balance by 12)

- 4.7.2 This is to serve as a guideline and can be adjusted according to the discretion of the Billing Manager under the advisement of the Chief Financial Officer. Patients will be responsible for making the minimum amount due.



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4.7.3 The guideline will serve to collect on the patients remaining financial obligations over a reasonable period of time, to be determined at the sole discretion of the Lost Rivers Medical Center. Typically the facility would try to set up a payment plan so the patient can pay off the balance within a year. Consideration will be taken for the amount of the patient’s remaining financial obligations for services rendered, the patient’s financial ability to pay (separate from any Financial Assistance Discount the patient may qualify for), and the business cost and expense to engage in collection activities against the patient for the remaining balance.

4.7.4 If the patient is unable to meet with these guidelines they can fill out a charity care application to help reduce the cost of charges and then pay off the remaining balance within a year. (see charity care application) or apply for LRMC’s internal lending options.

5.1 Reference Labs Only

5.1.1 All Non-Patient Laboratory department claims will not be subject to interest or be sent to a collection agency. All attempts will be made to collect on these balances owed. If after insurance has paid and left a balance due for patient the prompt pay **discount of 70% may be offered**. If the Consumer’s account has reached collection status after 90 days the balance will be adjusted off and not sent to Collections.

5.2 Collection Policy for Non-patient Laboratory Services (Reference Labs)

5.2.1 It is the Hospital’s Policy that all patient copayments and/or deductibles will be collected for Non-Patient Laboratory Services unless they are determined to be “Uncollectable” as described below. Furthermore, no employee or member of Hospital may offer any kind of payment, including any kickback, bribe, or rebate, whether in cash or in kind, in any manner or form, including waiver of copayments or deductibles, to any physician, patient, or other party to induce the referral of any health care business, patient, or other item of service to the Hospital.

5.2.2 Collection costs for Non-Patient/off-site services which are out of the hospital district’s service area of Butte and Custer County have been determined costly, therefore, will be considered “uncollectable” and will be written off as bad debt. This would include patient balances between \$0-1000.00. Balances higher than \$1000.00 would need to file for financial assistance.

5.2.3 Accordingly, this Policy establishes the framework pursuant to which the Hospital shall attempt to collect any copayment or deductible owed and when the Hospital may write off amounts owed as uncollectable.

