

Children's Hospital and Health System Administrative Policy and Procedure Patient Accounts

This policy applies to the following entities:

CHW – Milwaukee

CHW - Fox Valley

Children's Medical Group - Primary Care

CHW - Surgicenter

SUBJECT: Billing and Collection for Self-Pay Amounts

Policy

This policy will apply to accounts for CHW-Milwaukee, CHW-Fox Valley, and Surgicenter of Greater Milwaukee together referred to as "Children's".

Children's provides emergent and other medically necessary health care to pediatric patients residing in our geographic service area without regard to their ability to pay. In order to sustain this commitment, Children's uses standardized procedures in the collection of self-pay amounts owed for health care services that have been provided.

For accounts that are determined to be the responsibility of a patient's guarantor (generally, the Patient's parent or legal guardian), a cycle of statements will be initiated with reasonable intervals to allow the guarantor an opportunity to contact Children's Patient Accounts regarding their balance. All statements and all communications with Children's Financial Counselors will include information regarding the availability of assistance under the Children's Financial Assistance Program. Children's also will offer interest-free payment plans.

Prior to referring an account to a collection agency or undertaking any extraordinary collection actions, Children's will make standard efforts to collect amounts due, including reasonable efforts to determine whether the guarantor is eligible for financial assistance under Children's Financial Assistance Policy. Any collection agency or other representative of Children's will adhere to state and federal debt collection laws as well as this policy with regard to collection practices.

This policy addresses only the most common situations that may arise, and it is not intended to be all-inclusive. This Policy is intended to describe Children's general billing, collections, and payment plan guidelines.

Procedure

Statements -- Patient statements will begin to be sent to the guarantor address on file within one week of an account reaching self-pay status (*meaning, after application of any insurance or other payment sources*). Subsequent statements will be sent on a monthly basis. The statement cycle will include a minimum of three statements over a period of approximately 120

days following the account reaching self-pay status. All statements will include:

1. Date(s) of service.
2. Payment due.
3. Statement regarding the availability of financial assistance under the Children's Financial Assistance Program.
4. Statement regarding the opportunity to establish a payment plan.
5. Telephone number for the Patient Accounts Office.

The final statement will include a message indicating that collection agency placement is imminent within 30 days ; the statement will also describe the various measures that may be taken by the collection agency, as provided below in the *Permitted Measures* section.

Consultation with Customer Service Representative– Throughout the statement cycle and for a period of at least 240 days following the date of the first billing statement issued by Children's for the services at issue, Children's Customer Service Representatives will be available to work in good faith with guarantors to address payment of outstanding balances. Representatives will ask guarantors for payment in full, but will also inform them of (i) the availability of assistance through the Children's Financial Assistance Program, and (ii) the opportunity to establish a payment plan.

Collection Agency Placement

Prior to referring an account to a collection agency or undertaking any extraordinary collection actions (as defined below), Children's will undertake the standard collection efforts including letters and telephone calls to the guarantor's residence and/or cell phone number and calls to the place of employment, including reasonable efforts to determine whether the guarantor is eligible for financial assistance under Children's Financial Assistance Policy. Children's will place accounts with collection agencies at least once per month. The placement will consist of an electronic file containing only the patient account information necessary to perform collection activities. Collection agencies will acknowledge receipt of accounts in writing. Collection agencies will issue to Children's at least monthly notices of collection activity, payments, and closed accounts. All collection agencies retained by Children's must adhere to federal and state debt collection laws as well as this policy

Permitted Measures and Extraordinary Collection Actions (ECAs) –

In collecting unpaid balance(s) on Children's behalf, Collection Agencies or other Third Party entities may utilize the following measures:

1. Credit bureau reporting.
2. Referring account to attorney office for legal action which may include:
 - Obtaining legal judgment, subject to prior approval by the Children's Patient Accounts Manager based on a determination that all objective and standard collection efforts have been exhausted.
 - Garnishment of wages, bank accounts, and/or other applicable assets.
 - The placement of a lien on a guarantor's residence that may be enforced upon the sale of the property, which occurs automatically under Wisconsin law if a legal judgment is obtained.

However, neither any of the foregoing nor any other action requiring a legal or judicial process (collectively, "extraordinary collection actions" or "ECAs") will be taken until at least 120 days has passed following the date of the first billing statement issued by Children's to the guarantor

for the services at issue. In the event that, at any point during the 240-day period following the date of the first billing statement, the guarantor is determined to be eligible for financial assistance, all collection agency efforts then underway will be terminated or modified as appropriate to the updated determination (*i.e.*, reduced balance).

Prohibited Collection Practices -- Under no circumstances may any representative of Children's, including any collection agency or other third party working on its behalf use or attempt to use any of the following collection practices:

1. Threats of bodily harm.
2. Writ of body attachments.
3. Foreclosure on the principal residence while owned or occupied by the patient and/or patient's guarantor(s); however, Children's may enforce an existing lien in connection with a sale of the property.
4. Any practice or method prohibited by applicable law.

Approved by:

Peggy Troy, President & CEO
Children's' Hospital and Health System
(signed copy on file)