FRYE REGIONAL
MEDICAL CENTER

A Duke LifePoint Hospital

BILLING AND COLLECTIONS POLICY

1. PURPOSE

Frye Regional Medical Center has developed this policy to outline its billing and collection procedures, including its processes for determining a patient's eligibility under Frye Regional Medical Center Financial Assistance Policy prior to initiating certain collection activities.

2. SCOPE

This policy shall apply to the Hospital, its Extended Business Office (EBO), and collection agencies

(Primary Agencies) engaged by the Hospital.

The Hospital is committed to informing patients regarding their financial responsibilities and available financial assistance options and communicating with patients regarding outstanding accounts in a manner that treats patients with dignity and respect.

The Hospital will use reasonable efforts to determine a patient's eligibility under its Financial Assistance Policy before engaging in Extraordinary Collection Actions, as described in this policy. Copies of the Financial Assistance Policy, a plain language summary of the Financial Assistance Policy, the Financial Assistance Application and associated instructions are available free of charge upon request by writing to Frye Regional Medical Center, Patient Financial Services at 420 N Center St, Hickory, NC 28601.

Copies can also be found in the emergency room and admission areas of the hospital. These documents may be found online at www.FryeMedctr.com.

3. EMERGENCY MEDICAL CARE

Frye Regional Medical Center will provide, without discrimination, and in compliance with the Emergency

Medical Treatment and Labor Act (EMTALA), care for emergency medical conditions to individuals regardless of whether they are eligible for Financial Assistance, as specified in greater detail in the Hospital's EMTALA policy. A copy of the EMTALA policy is available free of charge upon request by writing to Frye Regional Medical Center, Patient Financial Services at 420 N Center St, Hickory, NC 28601 ; the policy may also be downloaded at www.fryemedctr.com. The Hospital will not engage in any actions that discourage individuals from seeking emergency medical care, such as by demanding that emergency room patients pay before receiving treatment or by permitting debt collection activities that interfere with the provision, without discrimination, of emergency medical care.

4. POLICY DEFINITIONS

Notification Period – the period beginning on the date care is provided and ending 120 calendar days after the date of the first post-discharge billing statement.

Covered Services – emergency and other medically necessary care.

Financial Assistance – reduction of an eligible patient's account balance under the terms of the Financial Assistance Policy.

Financial Assistance Policy – written policy describing the Hospital's program for providing free or discounted emergency or other medically necessary care to eligible patients, which includes eligibility criteria, basis for calculating charges, and procedures for applying for Financial Assistance.

Hospital – References in this policy to "Hospital" shall include its Extended Business Office and Primary Agencies, where applicable.

Patient – the individual receiving medical treatment and/or, in the case of an unemancipated minor or other dependent, the parent, legal guardian or other person (guarantor) who is financially responsible for the patient.

Application Period – the period beginning on the date care is provided and ending 240 days after the date of the first post-discharge billing statement.

5. POLICY GUIDELINES

5.1 General

a. The Hospital generally expects patients and third-party payers to satisfy their hospital liabilities in full.

b. May sell debt to a nonprofit third-party vendor to effectuate medical debt relief for these consumers

c. The patient's responsibilities include:

- providing the Hospital with complete and timely insurance and demographic information.

- notifying the hospital of potential third-party sources of payment such as worker's compensation, motor vehicle insurance policy, or personal injury settlement.
- obtaining and maintaining health insurance coverage, if affordable coverage is available to them, and satisfying any applicable co-pays, deductibles and co-insurance.
- understanding and complying with the requirements and limitations of their health insurance coverage, including but not limited to network limitations, referral and preauthorization requirements, and timely submission of claim forms.

- adhering to any agreed-to alternate payment plans; and for patients seeking Financial Assistance, submitting a complete and timely Financial Assistance Application and cooperating as requested in applications for Medicaid or other government programs.

d. The Hospital will maintain records to document billing and collection efforts and communications on each patient account. [Such records will be subject to the Hospital's applicable privacy and document retention policies.]

5.2 Billing Patients and Third-Party Payers

a. The Hospital will make reasonable efforts to collect a patient's insurance and other information and to verify coverage for the services to be provided. This information may be obtained prior to the delivery of non-emergent health care services. The Hospital will defer any attempt to obtain this information during the delivery of EMTALA-level emergency care if the process to obtain this information would delay or interfere with either the medical screening examination or services to stabilize an emergency medical condition.

b. The Hospital will bill third party payers in accordance with the requirements of applicable law and the terms of applicable third-party payer contracts. In general, patients are expected to timely pay any account balances that are not paid by a third-party payer. Patients who seek non-emergent health care services may be requested to pay in advance for services that will not be covered by third party payers, including co-payments, deductibles and co-insurance amounts.

c. Patient Financial Services may, on a case-by-case basis, approve payment plan arrangements for patients who indicate they may have difficulty paying their account balance in a single installment.

d. When a patient does not qualify for Financial Assistance, Patient Financial Services may in its discretion apply other discounts, including for example discounts to encourage prompt payment or to recognize unique cases of financial hardship. Such discounts are not part of the Financial Assistance Policy and may not be combined with Financial Assistance discounts.

5.3 Collections and Reasonable Efforts to Determine Eligibility for Financial Assistance

a. The Hospital will not refer any account to a collection agency during the Notification Period and will first make reasonable efforts (as set forth in this section 5.3) to determine whether a patient is eligible for Financial Assistance.

b. All patients will be offered a plain language summary of the Financial Assistance Policy as part of the Hospital's intake or discharge process.

c. All patient billing statements will include a notice regarding the Financial Assistance Policy, including information on how to obtain copies of the Financial Assistance Policy and a Financial Assistance Application.

d. In the event of nonpayment by an uninsured patient of charges for Covered Services:

i. *No Financial Assistance Application Submitted During the Notification Period*. If the patient does not submit a Financial Assistance Application during the Notification Period, debt collection activities may be initiated if each of the following criteria has been met:

A. the Hospital has sent the patient a written notice that states that financial assistance is available to eligible individuals, identifies the processes the Hospital intends to initiate, and states a deadline after which the pursuit of the debt may be initiated (which will be no sooner than 30 days after the date of such written notice);

B. such written notice is accompanied by a copy of the plain language summary of the Financial Assistance Policy.

C. the Hospital has made efforts to orally notify the patient about the Financial Assistance Policy and the availability of assistance for completing the Financial Assistance Application.

D. the Notification Period has lapsed; and

E. the Business Office Director/Patient Financial Services Director or his or her designee has reviewed the patient account and documentation to confirm satisfaction of the foregoing criteria.

ii. *Financial Assistance Application Submitted During the Notification Period*. If the patient completes a Financial Assistance Application during the Notification Period and the Hospital determines that the patient is not eligible for Financial Assistance, the Hospital will inform the patient in writing of its eligibility determination after the Notification Period has lapsed.

iii. *Financial Assistance Application Submitted After the Notification Period*. If a patient completes a Financial Assistance Application after the Notification Period but before the end of the Application Period, any collection activities that have been initiated will be suspended until the Hospital has processed the application. If the Hospital determines that the patient is not eligible for Financial Assistance, the Hospital will inform the patient in

writing of its eligibility determination and may resume pursuing the collection of the patient due portion.

iv. *Incomplete Financial Assistance Application Submitted During the Application Period*. If a patient files an incomplete Financial Assistance Application during the Application Period, the Hospital will suspend any collection activity and will send the patient written notice describing the additional information needed and giving the patient a reasonable opportunity to respond (at least 30 days or until the end of the Application Period, whichever is later). If the patient does not provide the required information by the indicated response date, the Hospital may initiate pursing the patient for collection of the debt in accordance with section 5.3(d)(i), above.

e. Patients found eligible for Financial Assistance will be refunded payments in excess of the amount determined to be owed by the patient, and the Hospital will take reasonably available measures to recall the account(s) if previously placed for collection follow up.

f. Financial assistance policy requirements shall not apply to costs associated with cosmetic surgery, as defined by DHB Clinical Coverage Policy No: 1-O-1.

g. The Institution is not required to apply discounts to co-pays of insured individuals.

h. For individuals with incomes between 200 - 300% FPL, the Institution must offer a payment plan that does not exceed a duration of 36 months with monthly payments no greater than 5% of monthly household income (“36 month/5% income plan”). The Institution may offer alternative payment plans that exceed 36 months, but the aggregate amount collected from the patient and shall not exceed what would have been collected under the 36 month/5% income plan.