

<b>MADELIA HEALTH</b>	
SUBJECT: Billing and Collection Policy	REFERENCE:
DEPARTMENT: Business Office	PAGE 1 of 4
POLICY OWNER: Business Office Manager	EFFECTIVE: June 1, 2016
APPROVED BY: Executive Director of Finance	REVISED: April 6, 2026

Purpose:

To ensure that Madelia Health (“Hospital”) is compliant with the Internal Revenue Code Section 501(r)(4)(A)(iv) and related regulations and requirements.

Definitions:

Emergency Medical Care: Treatment of an emergency medical condition. Emergency medical conditions are defined in section 1867(e)(1) of the Social Security Act as “a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in

- (a) Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy,
- (b) Serious impairment to bodily functions, or
- (c) Serious dysfunction of any bodily organ or part;

Or with respect to a pregnant woman who is having contractions,

- (a) that there is inadequate time to effect a safe transfer to another hospital before delivery, or (b) that transfer may pose a threat to the health or safety of the woman or the unborn child.”

Further more, Madelia Health will not delay or deny emergency medical screening or stabilizing treatment in order to inquire about payment methods or financial assistance eligibility.

Extraordinary Collection Actions: Each of the following actions is considered an extraordinary collection action:

- Selling an individual’s debt to another party.
- Reporting adverse information about the individual to consumer credit reporting agencies or credit bureaus.
- Deferring, denying, or requiring a payment before providing, medically necessary care because of an individual’s nonpayment of one or more bills for previously provided care that may be eligible for financial assistance.
- Actions that require a legal or judicial process, including liens, foreclosures, attachments, seizures, civil actions, arrests, writs of body attachment, and garnishments.

Medically necessary care means services or procedures that are determined by a licensed provider to be necessary to diagnose, treat, cure, relieve, or prevent worsening of conditions that endanger life, cause suffering, or result in illness or infirmity.

Policy:

Hospital will not engage in any extraordinary collection actions against an individual to obtain payment for an amount owed for medical services until Hospital has made reasonable efforts to determine whether that individual is eligible for financial assistance under Hospital’s Financial Assistance Policy.

Extraordinary collection actions against an individual include any extraordinary collection actions taken against any other individual who has accepted or is required to accept responsibility for the individual's hospital bill for care.

Any actions taken by a third party on behalf of Hospital are considered to be taken by Hospital directly. Any 3<sup>rd</sup> party must obtain express written consent of Hospital before engaging in any extraordinary collection actions.

Procedure:

See Attachment A for a list of actions that may be used by Hospital to obtain payment of an amount owed for medical services by an individual, including extraordinary collection actions. Madelia Health will not delay or deny emergency medical screening or stabilizing treatment in order to inquire about payment methods or financial assistance eligibility. Attachment A also provides a general time frame for these actions.

Hospital prohibits the use of all extraordinary collection actions other than the actions listed in Attachment A. This prohibition applies to Hospital and to all other parties acting on behalf of Hospital.

Hospital will not take any of the extraordinary collection actions listed in Attachment A within 120 days of sending the first post-discharge billing statement to an individual.

At Hospital's discretion, a single collection action may be taken to obtain payment for multiple medical care liabilities. However, in such situations, an extraordinary collection will not be taken within 120 days of sending the first post-discharge billing statement for the most recent instance of medical care included in the extraordinary collection action.

At least 30 days prior to taking any extraordinary collection action against an individual, Hospital will provide the individual with a written notice that includes the following information.

- Hospital offers financial assistance to eligible individuals.
- Identify the extraordinary collection actions that Hospital, or another authorized third party, intends to initiate against the individual to obtain payment for the care.
- Provide a deadline after which such extraordinary collection actions may be initiated.

The written notice will include a plain language summary of the Financial Assistance Policy. Individuals eligible for financial assistance will not be charged more than the Amounts Generally Billed (AGB) for emergency or medically necessary care as defined in the Financial Assistance Policy. Hospital will also make reasonable efforts to orally notify the responsible party about the Financial Assistance Policy and how the individual may obtain assistance with the financial assistance application process. Individuals eligible for financial assistance will not be charged more than the Amounts Generally Billed (AGB) for emergency or medically necessary care as defined in the Financial Assistance Policy.

Before engaging in an extraordinary collection action against an individual, Hospital's CFO and Business Office Manager will agree that Hospital has made reasonable efforts to notify the individual about Hospital's financial assistance policy.

If an individual submits a financial assistance application, Hospital will cease all collection efforts until a determination of financial assistance eligibility is made.

If Hospital or another authorized party has already begun an extraordinary collection action against an individual when that individual submits a complete financial assistance application, the extraordinary collection action will be suspended. Suspending an action means that no further steps are taken on that extraordinary collection action and no new extraordinary collection actions are initiated. This suspension may be lifted when Hospital determines the individual's eligibility for financial assistance and notifies the individual as prescribed in the Financial Assistance Policy.

If Hospital or another authorized party has already begun an extraordinary collection action against an individual when that individual is determined to be eligible for financial assistance, Hospital and/or the other authorized party will take all reasonably available measures to reverse the extraordinary collection action. Such steps include, but are not limited to, vacating a judgment against the individual, lifting a levy or lien on the individual's property, and removing from the individual's credit report any adverse information that was reported.

If an individual submits an incomplete financial assistance application, Hospital will take the following steps to encourage them to complete the application.

- Suspend any extraordinary collection actions to obtain payment for the care.
- Provide a written notice to the responsible party that includes the following information.
  - The additional information and/or documentation that must be submitted.
  - The physical location and phone number of a Hospital employee or department that can provide information about the Financial Assistance Policy.
  - The physical location and phone number of an organization or Hospital employee/office/department that can provide assistance with the financial assistance application process.
- Allow a reasonable amount of time for the responsible party to submit a complete financial assistance application. Such period of time will be at least 30 days from the date the written notice is sent to the responsible party.

If the responsible party fails to provide the requested information within the stated time, Hospital may renew the previously initiated extraordinary collection actions.

If an individual has made full or partial payment, and the individual is subsequently determined to qualify for financial assistance, any payments in excess of their newly calculated remaining liability will be refunded to the patient within 30 days of the financial assistance eligibility determination. If the refundable amount is less than \$10.00, it will not be refunded.

#### References:

Financial Assistance Policy

Financial Assistance Application

Plain Language Summary of Financial Assistance Policy

## **Attachment A**

### **Madelia Health Collection Actions**

This attachment identifies the actions taken by Madelia Health (“Hospital”), including extraordinary collection actions, to encourage patients and other responsible parties to pay a liability owed to Hospital for the provision of emergency medical care and other medically necessary care. It also identifies the general timeline used by Hospital in taking these actions.

- Hospital sends a billing statement upon determining the remaining balance after any insurance. This is referred to as the “first post-discharge billing statement.”
- Approximately 30 days later, a second billing statement is sent.
- Approximately 30 days later, a third billing statement is sent.
- Approximately 30 days later, a notice of intended action (“final notice” statement) is sent.
- Between 14 and 45 days later, the account is sent to a collection agency.
- While this account is with the collection agency, the collection agency attempts to contact the individual by phone.
- Within a week of receipt the collection agency sends a letter encouraging payment and informing the individual of actions that may be taken.
- The collection agency may commence a legal action against the individual upon receiving express written consent from Hospital. Legal actions, including wage garnishment, may be pursued only with written authorization from Madelia Health and only after compliance with this policy.

While this timeframe is generally accurate, any step may fluctuate by a few days. However, in no event will Hospital or an authorized third party take any extraordinary collection actions within 120 days of sending the first post-discharge billing statement to a responsible party.

Hospital prohibits the use of all extraordinary collection actions other than the actions listed here. This prohibition applies to hospital and to all other parties acting on behalf of Hospital.