



TITLE: COLLECTION POLICY

POLICY:

The purpose of the Collection Policy (Policy) is to promote patient access to quality health care while minimizing bad debt at Gracie Square Hospital (Hospital).

This Policy places requirements upon Hospital and those agencies and attorneys undertaking debt collection activities that are consistent with the core mission, values, and principles of Hospital including, but not limited to, Hospital's Financial Aid Policy (hereafter Financial Aid Policy)

APPLICABILITY: (Check all that are appropriate)

This Policy applies to the Hospital and any Agency, lawyer, or law firm assisting the Hospital in the collection of an outstanding patient account debt.

Population: Adult

Care Setting: Inpatient Psychiatry

Staff:

- ☐ Clinical Staff
- ☒ Non-Clinical Staff
- ☐ Other - specify:

Policy Dates:

New: 3/2020

Reviewed: 3/2020, 2/2022, 8/2022, 8/2024

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PROCEDURE:

A. General guidelines

1. Hospital, collection agencies (Agency), and lawyers and law firms (Outside Counsel) will comply with all applicable federal and state laws and accrediting agency requirements governing the collection of debts including, but not limited to, the Fair Debt Collection Practices Act (FDCPA), the Fair Credit Billing Act, the Consumer Credit Protection Acts, Public Health Law Section 2807-k-9-a, Internal Revenue Service Code 501(r), Article 52 of the New York Civil Practice Law and Rules, and the Health Insurance Portability and Accountability Act (HIPAA). Hospital, Agency and Outside Counsel will also comply with Hospital's Financial Aid Policy. To the extent that there are any inconsistencies between Hospital's Collection Policy and Financial Aid Policy, the Financial Aid Policy shall supersede and control.
2. Hospital shall enter legally binding written agreements with any parties (including Agency or Outside Counsel) to which it refers an individual's debt related to care that are reasonably designed to prevent Extraordinary Collection Actions (ECAs) from being taken to obtain payment for the care, until reasonable efforts have been made to determine whether the individual is eligible for Financial Aid.

B. Collection practices Hospital and authorized entities may utilize

1. ECAs are actions taken by a hospital facility against an individual related to obtaining payment for care covered under the hospital facility's financial assistance policy as defined in section 501(r) of the Internal Revenue Code. Consistent with the requirements of this Collection Policy, Hospital may engage only in the following ECAs, subject to Hospital completing any legal or judicial process:
 - a. Commence a civil action,
 - b. Place a lien on a property
 - c. Attach or seize a bank account or any other personal property
 - d. Garnish wages
 - e. Issue subpoenas.

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COLLECTION POLICY, CONT'D

2. Hospital, Agency and Outside Counsel may not engage in any ECAs against any patient or any other individual who has accepted, or is required to accept financial responsibility for the patient's Hospital bills for care, without making reasonable efforts to determine whether the patient is eligible for Financial Aid
3. Hospital, Agency, or Outside Counsel may determine an individual's eligibility presumptively based on third-party information or prior Financial Aid eligibility determination. With respect to any care provided to an individual, in order to make reasonable efforts to determine whether the individual is eligible for Financial Aid, Hospital and Agent or Outside Counsel, as applicable, may determine that the individual is eligible based on information other than that provided by the individual or based on a prior Financial Aid eligibility determination. Further, if the individual is presumptively determined to be eligible for less than the most generous assistance generally available under the Financial Aid Policy, Hospital shall:
 - a. Notify the individual regarding the basis for the presumptive Financial Aid eligibility determination and the way to apply for more generous assistance available under the Financial Aid Policy;
 - b. Give the individual a reasonable timeframe within which to apply for more generous assistance before initiating ECAs to obtain the discounted amount owed by patient for the care;
 - c. If the individual submits a complete Financial Aid application seeking more generous assistance during the application period provided under the Financial Aid Policy, Hospital, Agency, or Outside Counsel as applicable, shall determine whether the individual is eligible for a more generous discount and otherwise meets applicable requirements with regard to complete application
4. Prior to engaging in any ECAs Hospital shall make reasonable efforts to notify the individual about the Financial Aid Policy during the notification period, namely the 120 days from the date of Hospital's post-discharge billing statement to patient. If after such reasonable efforts have been made, the individual fails to submit an application for Financial Aid, Hospital, Agency or Outside Counsel as applicable may engage in those ECAs specifically permitted by this Policy (see Procedure A1), provided that Hospital shall do the following at least 30 days prior to pursuing any ECAs permitted by this Policy:

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- a. Provide written notification to the individual, indicating the availability of Financial Aid to eligible individuals, identifying the ECAs which Hospital or other authorized party intends to initiate to obtain payment for care, and the deadline after which such ECAs may be initiated. That deadline shall be no earlier than 30 days after the date the written notice is provided;
 - b. Provide a copy of the Financial Aid Summary (Summary) along with the notification provided in Section B4a above;
 - c. Make a reasonable effort to notify the individual about the Financial Aid Policy and how to obtain assistance with the Financial Aid application process during any telephone communication between the individual and the Hospital after initial billing;
 - d. If the individual has submitted an incomplete Financial Aid application, provide the individual with a written notice that describes the necessary information and/or documentation that must be submitted to complete the Financial Aid application including contact information;
 - e. Make and document a determination of Financial Aid eligibility once the individual has submitted a complete Financial Aid application in accordance with the Financial Aid Policy.
5. Prior to engaging in any ECAs, Hospital, Agency or Outside Counsel, as applicable, will assess the individual's eligibility for government programs including insurance programs, such as Medicare and Medicaid, other sources of payment and Financial Aid.
 6. Hospital, Agency and Outside Counsel shall accept Financial Aid applications at any time during the billing and collection process. If an individual submits an incomplete application during or after an ECA has been initiated, Hospital, Agency and Outside Counsel, as applicable, shall suspend such ECA until it has been determined whether such individual is eligible for Financial Aid and has otherwise met the requirements of this Policy and the Financial Aid Policy.

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COLLECTION POLICY, CONT'D

7. If an individual submits a complete Financial Aid application during the application period (i.e. any time during the billing and collection cycle), Hospital, Agency and Outside Counsel as applicable shall make reasonable efforts to determine whether the individual is eligible for Financial Aid and do the following:
 - a. Suspend any ECAs to obtain payment for care in accordance with this Collection Policy;
 - b. Make a determination as to whether the individual is eligible for Financial Aid and notify the individual in writing of this eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for Hospital's determination;
 - c. If Hospital, Agency or Outside Counsel, as applicable, determines the individual is eligible for Financial Aid other than free care, Hospital shall:
 - (i) Provide the individual with a billing statement that indicates the amount the individual owes for care and how that amount was determined and states or describes how the individual can get information regarding the amounts generally billed (AGB) for the care;
 - (ii) Refund to the individual any amount the individual has paid for the care (whether to Hospital, or to any party to whom Hospital has referred the individual's debt for care) that exceeds the amount he or she is determined to be personally responsible for if greater than \$5.00 (or such other amount set by notice or other guidance published in the applicable Internal Revenue Bulletins);
 - (iii) Take all reasonably available measures to reverse any ECA taken against the individual to obtain payment for the care. Such measures generally include, but are not limited to measures to:
 - (a) vacate any judgment against the individual, (b) lift any lien or levy (other than those Hospital is entitled to assert under state law on the proceeds of a judgment, settlement or compromise owed to an individual (or his or her representative) as a result of personal injuries for which Hospital provided care, (c) remove from the individual's credit report any adverse information that was reported to a consumer reporting agency or credit bureau.

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COLLECTION POLICY, CONT'D

8. Hospital, Agency and Outside Counsel as applicable will suspend all collection activities associated with a patient account if the individual disputes (in accordance with the appropriate Hospital dispute resolution procedures) the amount or validity of any outstanding balance. The patient account will remain suspended until Hospital determines that collection efforts may resume. Agency or Outside Counsel shall not pursue collection activity against an individual about whom Agency or Outside Counsel has received notification of bankruptcy.
9. Agency or Outside Counsel may not take legal action of any kind including issuing a summons without receiving prior written authorization from Hospital.

C. Prohibited Collection Practices. Hospital, Collection Agencies and Outside Counsel:

1. Will not force the sale or foreclosure of an individual's primary residence to pay for an outstanding debt.
2. Will not send a bill to a collection agency while a completed Financial Aid application (including any supported documentation) submitted to Hospital is pending a determination.
3. Will not permit collections from an individual who was eligible for Medicaid at the time services were rendered and for which Medicaid payment is available, provided individual has submitted a completed application for Medicaid in connection with such services.
4. Will not sell individual's debt to a third party.
5. Will not report adverse information to a credit agency. However, consistent with the Financial Aid Policy, inquiries may be made regarding presumptive eligibility for Financial Aid to a credit agency.

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COLLECTION POLICY, CONT'D

D. Post Judgment Practices. Outside Counsel:

1. Will conduct judgment evaluations on a case-by-case basis. Electronic "blind" sweeps are not permitted and shall not be performed.
2. Will not cause an individual's arrest or cause an individual to be subject to a writ of body attachment.
3. Will not pursue judgments after five years without prior approval from Hospital.
4. Will not enforce a judgment against an individual after five years from the date of judgment without prior approval from Hospital.
5. Will not renew a judgment against an individual without prior approval from Hospital.
6. Will not transfer individual accounts to another collection agency or law firm without prior written approval from Hospital. After exhausting all required efforts to identify coverage or payment for the debt and upon receipt of written approval by Hospital, Agency may refer appropriate accounts to Outside Counsel for possible legal action. Appropriate accounts for any individual must be worth at least \$800 in the aggregate or such other higher threshold as Hospital may from time to time set in writing in order to be referred to Outside Counsel. Referral of an account should not generally occur until six months after Agency's receipt of the account.
7. Consistent with the requirements of applicable law, this Collection Policy and Hospital's Financial Aid, may Issue Information Subpoenas with or without Restraining Notice to:
 - a. Banks;
 - b. Place of employment;
 - c. Credit card companies; and/or
 - d. Mortgage companies

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COLLECTION POLICY, CONT'D

8. Subject to the requirements of this Collection Policy and the Financial Aid, may issue property execution against individual's bank accounts except for tax deferred or comparable retirement savings accounts. If individual contacts Outside Counsel and complains of and supplies reasonable substantiation of financial hardship as a result of the property execution, Outside Counsel shall terminate the execution process and release any Hospital lien.
9. Subject to the requirements of this Collection Policy and the Financial Aid Policy, consistent with New York State law, may issue income executions on the individual for up to ten percent (10%) of the individual's wages. Outside Counsel is not authorized to issue an income execution on an individual's spouse.

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COLLECTION POLICY, CONT'D

RESPONSIBILITY:

Finance Department

REFERENCES:

[C190CollectionPolicy.pdf](#)

APPROVAL METHOD:

Committee(s) (<i>As Applicable</i>)	Date Approved
Policy and Procedure Committee	8/2024

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