

---

# Patient Responsible Balance Billing and Collection Policy

**This Policy is Applicable to the following sites:**

Big Rapids (Mecosta County Medical Center), Continuing Care, Corporate, Gerber (Newaygo County General Hospital Association), Ludington (Memorial Medical Center of West Michigan), Outpatient/Physician Practices, Pennock (Pennock Hospital), Reed City (Reed City Hospital Corporation), SH GR Hospitals (Spectrum Health Hospitals), SHMG, Spectrum Health Lakeland (Lakeland Community Hospital Watervliet; Lakeland Hospitals at Niles and St. Joseph Inc.), United/Kelsey (Spectrum Health United; Spectrum Health Kelsey Hospital), Zeeland (Zeeland Community Hospital)

<b>Applicability Limited to:</b>	N/A
<b>Reference #:</b>	13636
<b>Version #:</b>	4
<b>Effective Date:</b>	02/01/2021
<b>Functional Area:</b>	Finance, Revenue Cycle
<b>Department Area:</b>	Corporate Billing Office (CBO), Finance, Patient Access, Patient Financial Services (PFS)

---

**Notice of Nondiscrimination:** Spectrum Health complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Spectrum Health does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex. See [Attachment A](#) for the complete notice of nondiscrimination as well as availability of language assistance.

---

## 1. Purpose

- 1.1. To ensure the fair and equitable treatment of all Patients with Patient Responsible Balances owed to Spectrum Health or any of its subsidiaries ("Spectrum Health"). To that end, Spectrum Health will not engage in extraordinary collection actions against an individual to obtain payment for care before making reasonable efforts to determine whether the individual is eligible for assistance under its [Financial Assistance Eligibility Policy](#).

## 2. Definitions

- 2.1. Default: A Patient Responsible Balance that has been attempted to be collected upon by Spectrum Health or a delegated third party which has not been paid in full or enrolled in an agreed upon payment plan after internal collections have been exhausted by Spectrum Health or a delegated third party.
- 2.2. Extraordinary Collection Actions ("ECA"): Such actions include commencing a civil action, garnishing a patient's wages.
- 2.3. Guarantor: An individual who guarantees payment on services received by a Patient at Spectrum Health.

- 2.4. Patient: An individual who receives services at Spectrum Health or one of its subsidiaries (“Spectrum Health”).
- 2.5. Patient Responsible Balance: Any balance due which is the responsibility of the patient and/or guarantor. This includes uninsured balances, co-payments, deductibles, coinsurance, non-covered services, and any balance due after insurance payment that is deemed patient/guarantor liability.
- 2.6. Third Party Collection Vendor: A contracted company that collects a Patient Responsible Balance in Default on behalf of Spectrum Health but performs such collections under its own name following all Federal, State, and local laws and regulations.

### **3. Responsibilities**

- 3.1. The Patient Responsible Balance Billing and Collection Policy will be administered by appropriately designated Spectrum Health personnel as outlined in relevant procedures.

### **4. Compliance**

- 4.1. Violation of this policy by any Spectrum Health employee may be subject to potential corrective action.

### **5. Policy**

- 5.1. Spectrum Health will work with Patients and/or Guarantors and any permissible authorized third party necessary to properly determine and effectuate appropriate resolution for a Patient Responsible Balance. Patient Responsible Balances will be resolved according to this Policy.

- 5.1.1. Deceased Patients - Empathy to a deceased Patient’s family during their time of loss is a priority of Spectrum Health. Spectrum Health will identify and resolve deceased Patient Responsible Balances as outlined in the [Patient Responsible Balance Deceased Patient or Guarantor Procedure](#). As outlined in this procedure Spectrum Health will use public record to verify the date of death, evaluate qualification for financial assistance, Medicaid, and may evaluate filing a claim against the deceased estate.

- 5.1.2. Bankrupt Patients - Spectrum Health complies with the United States Bankruptcy Code. As such, Spectrum Health will identify and resolve bankrupt Patient Responsible Balances as outlined in the [Patient Responsible Balance Bankruptcy Patient Procedure](#). Collection and billing activity will cease at the time of bankruptcy notification for all dates of service covered under the bankruptcy filing. Spectrum Health will monitor bankruptcy proceedings until the bankruptcy filing is final or dismissed.

- 5.1.3. Patients in Need of Financial Assistance - Spectrum Health has financial assistance options available to Patients for Patient Responsible Balances pursuant to the [Financial Assistance Eligibility Policy](#).

- 5.1.3.1. Patients and/or Guarantors will be notified of the Financial Assistance Policy in writing as defined in the relevant procedures. Spectrum Health will accept financial assistance applications on accounts during all internal collection efforts and when referred to a Third Party Collection Vendor for a period of a minimum of two hundred and forty (240) days from the date of the initial post-discharge billing statement (“Application Period”).

- 5.1.3.1.1. Submission of Complete Financial Assistance Application.

- If a Patient or Guarantor submits a complete financial assistance application during the Application Period, Spectrum Health will:
  - Suspend any ECAs
  - Make an eligibility determination as to whether the Patient is eligible for financial assistance and notify the Patient and/or Guarantor in writing of the eligibility determination (including, if applicable, the assistance for which the Patient is eligible) and the basis for this determination.
  - If the Patient is determined to be eligible for financial assistance for the care, Spectrum Health will:
    - Provide the Patient and/or Guarantor with a written notification that indicates the Patient and/or Guarantor's financial liability under the [Financial Assistance Eligibility Policy](#);
    - Refund to the individual any amount he or she paid for the care that exceeds the amount he or she is determined to be personally responsible for paying under the [Financial Assistance Eligibility Policy](#), unless such excess amount is less than \$5 (or such other amount published in the Internal Revenue Bulletin);
    - Take all reasonably available measures to reverse any ECA taken against the Patient and/or Guarantor to obtain payment for the care.

5.1.3.1.2. Submission of Incomplete Financial Assistance Application.

- If an individual submits an incomplete financial assistance application during the Application Period, Spectrum Health will:
  - Suspend any ECAs to obtain payment for the care;
  - Provide the individual with a written notice that describes the additional information and/or documentation required under the [Financial Assistance Eligibility Policy](#) or the financial assistance application form that must be submitted to complete the application and that such information and/or documentation must be received within thirty (30) days from the date of the written notice or the application will be denied and collections activity will resume.
    - This notice will include the Spectrum Health contact information.
  - If additional information and/or documentation is subsequently received and the account is within the Application Period, the account will again be considered for financial assistance and collections activity will be held until such determination.

5.1.3.1.3. Failure to Submit Financial Assistance Application.

- When no financial assistance application is submitted during the Application Period, Spectrum Health may then initiate ECAs to obtain payment for the care once it has notified the individual about the [Financial Assistance Eligibility Policy](#) as described herein.

5.1.4. Adjustment for Uninsured Patients - Notwithstanding anything to the contrary in this policy, for hospital services provided to uninsured Patients whose annual income is less than or equal to 250% of the Federal Poverty Guidelines (FPG) and who do not otherwise meet the [Financial Assistance Eligibility Policy](#), Spectrum Health shall adjust any charges for such services to no more than 115% of Medicare rates for the same or similar services. Payment of the adjusted charges will be considered as payment in full for the services.

5.1.5. Payment Options - Spectrum Health will define and offer payment options available to the Patient and/or Guarantor with a Patient Responsible Balance to enable the Patient and/or Guarantor to resolve his or her balances as outlined in the [Patient Responsible Balance Payment Options Procedure](#). Options include payment in full, prompt payment discounts, and extended payment plans.

5.1.6. Collections - If a Patient Responsible Balance is still outstanding after all the options set forth in 5.1.1-5.1.5 above have been exhausted, Spectrum Health may then refer the unresolved Patient Responsible Balance to a Third Party Collection Vendor as outlined in the Patient Responsible Balance Billing and Collection Procedure. A minimum of three (3) billing statements will have been sent to the patient and/or guarantor prior to referral.

5.1.6.1. Spectrum Health will not authorize any ECAs to occur within the first thirty (30) days of referral with a Third Party Collection Vendor.

5.1.6.2. Spectrum Health will not engage in any ECA against the Patient and/or Guarantor without making reasonable efforts to determine the patient's eligibility under the [Financial Assistance Eligibility Policy](#). Specifically, if Spectrum Health intends to pursue ECAs, the following will occur at least thirty (30) days before first initiating one or more ECA:

- Spectrum Health will notify the Patient and/or Guarantor in writing that financial assistance is available for eligible individuals and will identify the ECAs Spectrum Health (or its Third Party Collection Vendor) intends to initiate to obtain payment.
- Spectrum Health will make a reasonable effort to orally notify the patient about the [Financial Assistance Eligibility Policy](#) and how the Patient and/or Guarantor may obtain assistance with the application process.

5.1.7. Mail Returns - Mail returns are processed using the USPS database and corrections made as appropriate. It is the responsibility of the guarantor to provide a current mailing address at the time of service or upon moving. If the account does not have a valid address, Spectrum Health will consider that reasonable efforts will have been made.

## 6. Revisions

Spectrum Health reserves the right to alter, amend, modify or eliminate this policy at any time without prior written notice.

## 7. Final Authority

Final authority for determining that Spectrum Health has made reasonable efforts to determine whether a Patient is eligible for assistance under the [Financial Assistance Eligibility Policy](#) and may therefore engage in ECAs against the Patient and/or Guarantor rests with the Senior Vice President, Revenue Cycle or his/her designee.

**8. References**

[Financial Assistance Eligibility Policy](#)  
[Patient Responsible Balance Deceased Patient or Guarantor Procedure](#)  
[Patient Responsible Balance Bankruptcy Patient Procedure](#)  
[Patient Responsible Balance Payment Options Procedure](#)

**9. Policy Development and Approval****Document Owner:**

Daphne Shutts (Administrative Assistant)

**Writer(s)** (formerly Author):

Crystal Lang (Mgr, Corporate Billing Office)

**Reviewer(s):**

Amy Assenmacher (SVP, Finance Revenue Cycle), Courtney Guernsey (Dir Sr, Patient Financial Services), Matthew Cox (SVP, Chief Financial Officer), Sarah Clark (Dir Sr, Regist & Financial Couns), Steffany Dunker (Managing Counsel)

**Approver:**

Christina Freese Decker (President & CEO)

## Attachment A

### Notice of Nondiscrimination:

Spectrum Health complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Spectrum Health does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

Spectrum Health:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
  - Qualified sign language interpreters
  - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
  - Qualified interpreters
  - Information written in other languages

If you need these services, contact Spectrum Health Language Services at: 616.267.9701 or 1.844.359.1607 (TTY:711)

If you believe that Spectrum Health has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Director, Patient Experience  
100 Michigan St NE, MC 006  
Grand Rapids, MI 49503  
616-391-2624; toll free: 1-855-613-2262  
[patient.relations@spectrumhealth.org](mailto:patient.relations@spectrumhealth.org)

You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, the Director of Patient Experience is available to help you.



