



**HFHS Patient Billing and Collection Policy**  
**Effective: December 1, 2015**

**Background**

Henry Ford Health System (HFHS) treats every patient with dignity, respect and compassion. Patients can look to HFHS for fair pricing of the medical services it provides and for assistance with finding options to help patients manage their medical costs.

All patients have the right to receive emergency medical care regardless of the patients' ability to pay or any outstanding balance from prior visits.

Patients are expected to accept responsibility for any financial obligations to HFHS for medical services provided. Responsibility is demonstrated through actions such as providing HFHS with accurate and complete information, timely payment, compliance with agreed upon payment plans, and enrolling in medical coverage, whether it be employer provided, private programs, or government supported programs such as Medicare (Parts A, B and D, or C) and Medicaid programs or any other third party payor, as applicable.

**Policy**

Henry Ford Health System (HFHS) communicates financial responsibility for any service provided to its patients in a timely manner and handles collection practices in a professional and compassionate manner. The collection process for services rendered begins at the time of scheduling an appointment or arriving for services and is completed after receiving payment on balances due. HFHS reserves the right to pursue collection of any receivables associated with the provision of medical care.

**Definition(s)**

Extraordinary Collection Activities (ECA) – Allowable ECAs include:

- Legal action or judicial action against the debtor
  - Attach or seize an individual's bank account or other personal property
  - Commence a civil action against an individual
- Selling an individual's debt to a third party
- Notification of credit agencies

**Procedure**

Prior to sending a patient statement, collection activities may include but are not limited to:

- Payment of deductibles or co-pays
- Prepayment or deposits for services

HFHS, or vendors contracted by HFHS, will not engage in any collection activity deemed to be an Extraordinary Collection Activity (ECA) until after the patient completes the Patient Financial Assistance Program (PFAP) qualification and notification period. HFHS will make reasonable efforts to communicate with patients about the PFAP and to determine if the patient is eligible for financial assistance. Reasonable efforts may include:

- Informing patient about the availability of PFAP at time of service or during the eligibility and screening service
- Sending information about the availability of PFAP with monthly statements
- Conversing with the patient to resolve outstanding balances

If the patient is deemed ineligible for financial assistance and HFHS is unable to collect payments after making reasonable efforts, the account may be classified as Bad Debt and sent to external collections. The following accounts may not be sent to a collection agency:

- Accounts that fall within bankruptcy filing period
- Accounts wherein it is known that the guarantor is deceased
  - Attempts will be made to determine if a probate exists for balances over \$1,000
- Accounts adhering to a formal payment plan

### Primary Placement

An account may be referred to external collections if it meets one or more of the following criteria:

- Self-pay balance not paid within 120 days minimally after the initial bill or patient communication date when all reasonable follow-up efforts have been exhausted
- Patient/Guarantor advises that s/he has no intention of paying the bill
- Patient communication via mail and/or phone is unsuccessful due to bad information

### Close Out and Returns

The collection agencies will close out and return accounts to HFHS after one year unless the account meets one of following criteria:

- Patient/Guarantor is adhering to a payment arrangement
- In an active collection status
- Collection activity on the account has ceased due to:
  - Charity
  - Bankruptcy
  - Probate
  - Disputed services
  - Any other cease collection activity as outlined by the Fair Debt Collection Practices Act (FDCPA)

### External Collection Agreements

All agreements with external collection agencies shall be in writing and stipulate the required protocols with regard to communications with patients, including but not limited to:

- Exchange of information regarding HFHS PFAP
- Allowable collection activities
- Prohibited collection activities