



MedStar Health

Corporate Policies

Title:	Corporate Billing and Collection Policy	Section:	
Purpose:	To ensure uniform management of the MedStar Health Corporate Billing and Collection Program for all MedStar Health Hospitals and Hospital-based Physician Practices	Number:	
Forms:		Effective Date:	10/01/2025

Policy

1. It is the policy of MedStar Health to ensure that reasonable efforts are made to determine whether an individual is eligible for financial assistance under MedStar Health's Financial Assistance Policy prior to initiating extraordinary collection actions. Once a determination of ineligibility is made, all bad debts will be appropriately identified and referred to collection agencies for continued collection efforts and account resolution.

Scope

1. MedStar Health will comply with governmental regulations/protocols related to collection of patient debts. These protocols will include, but are not limited to the following:

MedStar Health will conduct active oversight of contracted collection agencies for collection of debts on behalf of MedStar Health Hospitals and Hospital -Based Physician Practices.

- 1.2 MedStar Health will not engage in the following Extraordinary Collection Activities (ECAs):

- 1.2.1 Sell debt to another party, except as permitted under Maryland law for the sole purpose of canceling the debt
 - 1.2.2 File liens or force the sale or foreclosure of the patient's primary residence to collect a debt owed on a hospital bill. Liens on a patient's primary residence will be initiated when mandated by Local, State, and Federal judicial protocols, but MedStar Health will not force the sale or foreclosure of the patient's primary residence.
 - 1.2.3 Charge interest on bills incurred by patients before or after a court judgment is obtained.
 - 1.2.4 Report adverse information to consumer reporting agencies
 - 1.2.5 Cause an individual's arrest.
 - 1.2.6 Subject an individual to a writ of body attachment.
 - 1.2.7 Collect additional fees, including interest, in an amount that exceeds the established charges for the hospital service for which the medical debt is owed on a bill for a patient who is eligible for free or reduced-cost care under the MedStar Health Financial Assistance Policy
 - 1.2.8 Charge interest or fees on any debt incurred on or after the date of service by a patient who is eligible for free or reduced cost care under the MedStar Health Financial Assistance Policy.
 - 1.2.9 Make a claim against the estate of a deceased patient to collect a debt owed on a hospital bill if the deceased patient was known by the hospital to be eligible for free care or if the value of the estate after tax obligations are fulfilled is less than half of the debt owed. MedStar Health may offer the family of the deceased patient the ability to apply for financial assistance.
 - 1.2.10 File a civil action to collect a debt against a patient whose outstanding debt is at or below \$500
- MedStar Health will not engage in ECAs, including but not limited to reporting to a consumer reporting agency or filing a civil action to collect a debt, for a period of 240 days after the initial bill is provided. In

addition, MedStar Health will suspend all ECAs if a completed MedStar Health Financial Assistance application is submitted within 240 days from the first post-discharge bill.

- 1.3 MedStar Health may engage in the following Extraordinary Collection Activities (ECAs) following all reasonable efforts to determine financial assistance eligibility per the MedStar Health Corporate Financial Assistance Policy:
 - 1.3.1 Taking action that requires a legal or judicial process to secure a judgment to collect a debt greater than \$500.
 - 1.3.2 Attach or seize bank accounts or any other personal property after a court judgment is secured.
 - 1.3.3 Garnishing an individual's wages on account balances after a court judgment is secured. However, MedStar Health will not request a writ of garnishment of wages or file an action that would result in an attachment of wages against a patient to collect debt owed on a hospital bill if the patient is eligible for free or reduced-cost care.
- 1.4 In addition to the ECAs listed in Section 1.3 above, MedStar Health and its contracted collection agencies will attempt to collect debts for non-payment by:
 - 1.4.1 MedStar Health Internal Collection Efforts may include one or all of the activities outlined:
 - 1.4.1. a Contacting patients and/or responsible parties by telephone, text, or email.
 - 1.4.1. b Automated patient statements and collection letters.
 - 1.4.1. c Referring accounts for non-payment to external collection agencies.
 - 1.4.1. d MedStar Health will utilize automated means test scoring campaigns and databases to determine presumptive financial assistance eligibility.
 - 1.4.2 MedStar Health Contracted Collection Agency Effort may include one or all of the activities outlined below:
 - 1.4.2. a Attempting Contacting patient and/or responsible parties by telephone.
 - 1.4.2. b Automated patient statements and collection letters.
 - 1.4.2. c Performing skip-tracing searches
 - 1.4.2. d MedStar Health will utilize automated means test scoring campaigns and databases to determine presumptive financial assistance eligibility.
 - 1.4.2. e If all the above collection efforts fail, and the financial review indicates that the patient has the means to pay, further MedStar Health authorized/approved legal action may be initiated to obtain a judgement for debts greater than \$500.
 - 1.4.3 The above MedStar Health Internal and MedStar Health Contracted Collection Agency collection activities will be utilized for a minimum 180-day period after the initial bill is provided.
- 1.5 MedStar Health will not delay or defer care or require pre-payment before providing medically necessary care due to non-payment relating to Financial Assistance eligible related care.
- 1.6 MedStar Health will provide written notice at least 45 days in advance of initiating ECAs as outlined in Section 9 of this Policy. The written notice will communicate:
 - 1.6.1 MedStar Financial Assistance is available.
 - 1.6.2 The deadline for which ECAs will be initiated.
 - 1.6.3 The ECA's that MedStar intends to initiate.
- 1.7 MedStar Health will not file an action to collect a debt by a patient until MedStar Health determines whether the patient is eligible for free or reduced cost care under the MedStar Health Financial Assistance Policy. The steps shall include:
 - 1.7.1 Ensuring access to the MedStar Health Financial Assistance Policy and application.
 - 1.7.2 Ensuring the timely review and eligibility determination for complete financial assistance applications.

- 1.8 If MedStar Health obtained a judgment against or reported adverse information to a consumer reporting agency about a patient who later was found to be eligible for financial assistance on the date of service or within 240 days after the initial bill was provided for which a judgment was awarded or adverse information was reported, MedStar Health will seek to vacate the judgment or strike the adverse information.
- 1.9 MedStar Health will not report adverse information to a consumer reporting agency regarding a patient who at the time of service was uninsured or underinsured and eligible for free or reduced-cost care under the MedStar Health Financial Assistance Policy.

In addition, MedStar Health will not report adverse information about a patient to a consumer reporting agency, commence a civil action against a patient for nonpayment, or delegate collection activity to a debt collector:

- 1.9.1 If MedStar Health is notified in accordance with federal law by the patient or the insurance carrier that an appeal or review of a health insurance decision is pending within the immediately preceding 60 days; or
- 1.9.2 If MedStar Health has completed a requested reconsideration of the denial of free or reduced-cost care that was appropriately completed by the patient within the immediately preceding 60 days.

If MedStar Health has reported adverse information about a patient to a consumer reporting agency, MedStar Health will instruct the consumer reporting agency to delete the adverse information about the patient if MedStar Health is informed by the patient or the insurance carrier that an appeal or review of a health insurance is pending and until 60 days after the appeal is complete, or until 60 days after MedStar Health has completed a requested reconsideration of the denial of free or reduced-cost care.

Definitions

1. **Bad Debt**

Any patient account balance deemed uncollectible following all reasonable collection efforts to identify and pursue all payment sources, including but not limited to, third party reimbursement, patient payment arrangements, Medicaid enrollment, and MedStar Health Financial Assistance screening, approval, and denial processes.

2. **MedStar Patient Information Sheet**

A plain language summary that provides information about MedStar Health's Financial Assistance Policy, and patient's rights and obligations related to seeking and qualifying for free or reduced cost medically necessary care. The Maryland State Patient Information Sheet format, developed through the joint efforts of Maryland Hospitals and the Maryland Hospital Association, will be used by all MedStar Health hospitals regardless of the hospital geographical location.

3. **Bad Debt Referral**

The process to reviewing, approving, and transferring accounts to external a collection agency for continued collection efforts.

4. **Bad Debt Qualified Accounts**

Account types or scenarios that may qualify for bad debt referral once all reasonable collection efforts are exhausted. Account types may include:

- 4.1 Patients not meeting Medicaid financial or clinical criteria.
- 4.2 Patients deemed ineligible or uncooperative during the Medicaid application process.
- 4.3 Patients deemed ineligible or uncooperative during MedStar Health Financial Assistance application process and failing to submit a complete MedStar Health Uniform Financial Assistance Application and supporting documentation.
- 4.4 Patients who are unresponsive to requests for payment via patient friendly statements.
- 4.5 Patients who are unresponsive to internal MedStar Health collection contacts/attempts.
- 4.6 Patient who provide inaccurate billing information and cannot be located through standard “skip tracing” activities.

5. Payment Plan

“Payment Plans” are payment plans offered on a Medical Debt owed for services rendered to patients that are not eligible for free care in accordance with established guidelines found in Section 8 of the MedStar Health Billing and Collection Policy.

Responsibilities

1. Availability of Policy. MedStar Health will post the MedStar Health Corporate Billing and Collections Policy on all MedStar Health Hospital websites via the following URL:
www.medstarhealth.org/FinancialAssistance.
2. MedStar Health Patient Financial Services. Bad debt referrals and financial assistance eligibility determinations are managed by the MedStar Health Patient Financial Services Department (PFS). The MedStar Patient Financial Services Department will be responsible for ensuring that reasonable efforts are met to determine an individual’s financial assistance eligibility.
3. Third Party Collections Agencies. MedStar Health contracts with third party collections agencies to assist in the recovery of bad debts. All contracted collections agencies will abide by MedStar Health’s Financial Assistance Policy and Billing and Collections Policy. MedStar Health will recall accounts from collections agencies if:
 - 3.1 The account was referred in error.
 - 3.2 Active insurance coverage is discovered for all governmental payers (i.e. Medicare and Medical Assistance), and when active non-governmental insurance is discovered by MedStar Health.
 - 3.3 A complete MedStar Health Financial Assistance application is received and financial assistance eligibility is approved.
 - 3.4 At MedStar Health’s discretion, further collection efforts should be stopped.
 - 3.5 MedStar Health obtained a judgment against or reported adverse information to a consumer reporting agency for an account that has been recalled. MedStar Health will seek to vacate the judgment or strike the adverse information.

MedStar Health contracted collection agencies will report fulfillment of the patient’s payment obligation within 60 days to consumer reporting agencies and vacate any judgments.
4. Patient Complaints. In the event a patient files a complaint with a MedStar Health hospital or collection agency, the complaint will be reviewed promptly by the MedStar Health Patient Financial Services Department. It is the responsibility of the Director of Patient Financial Services or designee to investigate the complaint and respond to the patient within 72 hours of notification. Patient and/or responsible party complaints must be submitted in writing. MedStar Health and the MedStar Health contracted collection agencies will be jointly responsible for resolving all patient complaints.

5. Patient Responsibilities. MedStar Health believes that patients have personal responsibilities related to the financial aspects of their healthcare needs. It is the patient's responsibility to ensure their patient accounts are paid timely and paid in full. For purposes of this policy, patient responsibilities include:
 - 5.1 Ensuring MedStar Health entities have complete and accurate information for:
 - 5.1.1 Submitting claims for reimbursement with all third party insurance payers
 - 5.1.2 Paying patient deductibles, copayments, and other patient balances on receipt of Patient Friendly Statements and other collection methods.
 - 5.2 Working with MedStar Health Patient Advocates, Customer Service Associates, and External Collection Agencies to ensure there is a complete understanding of the patient's financial situation and constraints.
 - 5.3 Applying for MedStar Health Financial Assistance and complying with the requirements as specified in the MedStar Health Corporate Financial Assistance Policy.
 - 5.4 Making applicable payments for services in a timely fashion, including any payments made pursuant to deferred and periodic payment schedules.
 - 5.5 A spouse or another individual may not be held liable for the debt owed on a hospital bill of an individual who is at least 18 years old. However, an individual may voluntarily consent to assume liability for the debt owed on a hospital bill of any other individual if the consent is:
 - 5.5.1. Made on a separate document signed by the individual;
 - 5.5.2. Not solicited in an emergency room or during an emergency situation; and
 - 5.5.3. Not required as a condition of providing any emergency or nonemergency health care services.
6. Financial Assistance Appeals. MedStar Health will provide patients with the opportunity to appeal financial assistance denial determinations in accordance with the procedures in the MedStar Health Financial Assistance Policy.
7. Bad Debt Reconsiderations and Refunds. MedStar Health will provide refunds of amounts exceeding \$25 collected from a patient or the guarantor of a patient who was later found to be eligible for free care within 240 days after the initial bill was provided, and reconsiderations of financial assistance in accordance with the procedures in the MedStar Health Financial Assistance Policy.
8. Payment Plans
 - 8.1 MedStar Health will provide income-based payment plans to patients. MedStar Health's payment plans will be provided in accordance with guidelines as may be established and amended by appropriate regulatory agencies.
 - 8.2 A patient shall be deemed to be compliant with a payment plan if the patient makes at least 11 scheduled monthly payments within a 12-month period.
 - 8.3 If a patient misses a scheduled monthly payment, the patient shall contact MedStar Health and identify a plan to make up the missed payment within 1 year after the date of the missed payment.
 - 8.4 MedStar Health may, but may not be required to, waive any additional missed payments that occur within a 12-month period and allow the patient to continue to participate in the income-based payment plan and not refer the outstanding balance owed to a collection agency or for legal action.
 - 8.5 MedStar Health will provide in writing to each patient who incurs medical debt information about the availability of an installment payment plan for the debt.

8.6 MedStar Health will provide the information to the patient, patient's family, the patient's authorized representative, or the patient's legal guardian:

8.6.1 Before the patient is discharged;

8.6.2 With the hospital bill;

8.6.3 On request; and

8.6.4 In each written communication to the patient regarding the collection of hospital debt.

8.7 MedStar Health will follow the payment plan guidelines before:

8.7.1 Filing an action to collect a debt owed on a hospital bill by a patient; or

8.7.2 Delegating collection activity to a debt collection for a debt owed on a hospital bill by a patient.

8.8 MedStar Health will not seek legal action against a patient on a debt owed until it has implemented these payment plan procedures.

9. Filing Actions to Collect a Medical Debt

9.1 MedStar Health will provide written notification at least 45 days to a patient before filing an action against the patient to collect on a debt owed on a hospital bill.

9.2 The required notice will:

9.2.1 Be sent to the patient by certified mail and first-class mail;

9.2.2 Be in simplified language and in at least 10 point type;

9.2.3 Include the name and telephone of the hospital and :

9.2.3.a If applicable, the debt collector; and

9.2.3.b An agent of the hospital authorized to modify the terms of the payment plan, if any;

9.2.3.c The amount required to cure the nonpayment of debt, including past due payments, penalties, and fees;

9.2.3.d A statement recommending that the patient seek debt counseling services;

9.2.3.e Telephone numbers and Internet addresses of the Health Education Advocacy Unit in the Office of the Attorney General, available to assist patients experiencing medical debt;

9.2.3.f An explanation of the hospital's financial assistance policy; and

9.2.3.g Any other relevant information prescribed by regulatory agencies; and

9.2.3.h Be provided in the patient's preferred language or, if no preferred language is specified, each language spoken by a limited English proficient population that constitutes 5% of the population within the jurisdiction in which the hospital is located as measured by the most recent federal census.

9.2.3.i Be accompanied by an application for financial assistance under MedStar Health's Financial Assistance Policy, along with instructions for completing the application for financial assistance, and the telephone number to call to confirm receipt of the application;

9.2.3.j Information on the availability of a payment plan to satisfy the medical debt; and

9.2.3.k The patient information sheet.

9.3 MedStar Health will provide an affidavit when filing a complaint to collect a medical debt owed by a patient.

9.3.1 The affidavit will state:

9.3.1.a The date on which the 240-day period required under subsection (g)(3) of this section elapsed and the nature of the nonpayment;

9.3.1.b That a notice of intent to file an action was sent to the patient and the date on which the notice was sent and accurately reflected the contents required to be included in the notice.

- 9.3.1.c That MedStar Health provided the patient with a copy of the information sheet on the financial assistance policy and notice of the financial assistance policy.
- 9.3.1.d That MedStar Health made a determination regarding whether the patient is eligible for the financial assistance policy.
- 9.3.1.e That Medstar Health made a good-faith effort to meet the requirements.

9.3.2 The affidavit will be accompanied by:

- 9.3.2.a The original or a certified copy of the hospital bill
- 9.3.2.b A statement of the remaining due and payable debt supported by an affidavit of the plaintiff, the hospital, or the agent or attorney of the plaintiff or hospital;
- 9.3.2.c A copy of the most recent hospital bill sent to the patient;
- 9.3.2.d If the defendant is eligible for federal Service Members Civil Relief Act benefits, an affidavit that MedStar Health is in compliance with the Act;
- 9.3.2.e A copy of the notice of intent to file an action on a hospital bill; and
- 9.3.2.f A copy of the patient's signed certified mail acknowledgment of receipt of the written notice of intent to file an action, if received by the hospital.

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