

**UPMC  
POLICY AND PROCEDURE MANUAL**

**POLICY: HS-RE0724 \***  
**INDEX TITLE: Revenue**

**SUBJECT: Patient Billing and Collection**  
**DATE: July 1, 2023**

**I. POLICY**

This Patient Billing and Collection Policy is consistent with UPMC’s mission and in compliance with the Federal Affordable Care Act. All patients who have received emergency or medically necessary care shall be provided the opportunity to apply for free or reduced cost care in conformance with the federal Patient Protection and Affordable Care Act and its implementing regulations. UPMC will not discriminate on the basis of race, color, national origin, citizenship, alienage, religion, creed, gender, sexual preference, age, or disability in providing its services.

This policy, along with the related Financial Assistance Policy, establishes UPMC’s procedures regarding collection of patient accounts. The purpose of the policy is to reasonably balance the need for financial stewardship with needs of individual patients who are unable or unwilling to pay their accounts.

In order for UPMC to responsibly manage its resources and provide the appropriate level of assistance to the greatest number of persons in need, patients are expected to contribute to the cost of their care based on the requirements of their insurance, or in the case of those uninsured/underinsured, based on their individual ability to pay.

Links to policies referenced within this policy can be found in Section VIII.

**II. PURPOSE**

The Patient Billing and Collection Policy provides general guidelines for patient billing and collecting payment for services. The purpose is to assure reasonable collection of accounts from all appropriate sources and to recognize at the earliest point possible when an individual requires assistance and/or that an account may qualify for Medical Assistance or free care, discounted care, or as bad debt. The policy is intended to achieve UPMC compliance with applicable State and Federal requirements including those of the Fair Debt Collection Practices Act.

### III. SCOPE

This policy applies to the United States based UPMC hospitals and hospital-based ASC's as noted below.

[Check all that apply]

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> UPMC Children's Hospital of Pittsburgh | <input type="checkbox"/> UPMC Pinnacle Hospitals             |
| <input checked="" type="checkbox"/> UPMC Magee-Womens Hospital             | <input type="checkbox"/> UPMC Carlisle                       |
| <input checked="" type="checkbox"/> UPMC Altoona                           | <input type="checkbox"/> UPMC Memorial                       |
| <input checked="" type="checkbox"/> UPMC Bedford                           | <input type="checkbox"/> UPMC Lititz                         |
| <input checked="" type="checkbox"/> UPMC Chautauqua                        | <input type="checkbox"/> UPMC Hanover                        |
| <input checked="" type="checkbox"/> UPMC East                              | <input checked="" type="checkbox"/> UPMC Muncy               |
| <input checked="" type="checkbox"/> UPMC Hamot                             | <input checked="" type="checkbox"/> UPMC Wellsboro           |
| <input checked="" type="checkbox"/> UPMC Horizon                           | <input checked="" type="checkbox"/> UPMC Williamsport        |
| <input checked="" type="checkbox"/> UPMC Jameson                           | <input checked="" type="checkbox"/> Divine Providence Campus |
| <input checked="" type="checkbox"/> UPMC Kane                              | <input checked="" type="checkbox"/> UPMC Lock Haven          |
| <input checked="" type="checkbox"/> UPMC McKeesport                        | <input type="checkbox"/> UPMC Cole                           |
| <input checked="" type="checkbox"/> UPMC Mercy                             | <input checked="" type="checkbox"/> UPMC Somerset            |
| <input checked="" type="checkbox"/> UPMC Northwest                         | <input type="checkbox"/> UPMC Western Maryland               |
| <input checked="" type="checkbox"/> UPMC Passavant                         |  |
| <input checked="" type="checkbox"/> UPMC Presbyterian Shadyside            |  |
| <input checked="" type="checkbox"/> Presbyterian Campus                    |  |
| <input checked="" type="checkbox"/> Shadyside Campus                       |  |
| <input checked="" type="checkbox"/> UPMC Western Psychiatric Hospital      |  |
| <input checked="" type="checkbox"/> UPMC St. Margaret                      |  |

#### **Provider-based Ambulatory Surgery Centers**

- UPMC Altoona Surgery Center
- UPMC Children's Hospital of Pittsburgh North
- UPMC St. Margaret Harmar Surgery Center
- UPMC South Surgery Center
- UPMC Center for Reproductive Endocrinology and Infertility
- UPMC Digestive Health and Endoscopy Center
- UPMC Surgery Center – Carlisle
- UPMC Surgery Center Lewisburg
- UPMC Pinnacle Procedure Center
- UPMC West Mifflin Ambulatory Surgery Center
- UPMC Community Surgery Center

#### **Free-Standing Ambulatory Surgery Facilities:**

- UPMC Hamot Surgery Center (**JV**)
- Hanover Surgicenter
- UPMC Leader Surgery Center (**JV**)
- UPMC Specialty Care York Endoscopy
- Susquehanna Valley Surgery Center (**JV**)
- West Shore Surgery Center (**JV**)

#### IV. ACCOUNT RESOLUTION

- A. The UPMC Financial Assistance Policy provides assistance to eligible patients who are uninsured, underinsured, ineligible for governmental healthcare benefit programs, and for whom it would be a hardship to pay fully for the cost of their care. It is UPMC's policy to pursue collection of patient balances from those patients who have the ability to pay for these services. The UPMC Patient Billing & Collection Policy will be applied consistently to all patients regardless of insurance status. Collection procedures will comply with applicable laws and with UPMC's mission and values. Consistent with this policy and the UPMC Financial Assistance Process, Policy HS-RE0722, UPMC will clearly communicate with patients regarding financial assistance needs and payment expectations as early in the appointment and billing process as possible.
- B. UPMC policy prohibits requiring payment for emergency medical conditions prior to the patient having received services or undertaking collection activities that could interfere with provision of emergency medical care. (Refer to UPMC Policy HS-LE0007, Emergency Medical Treatment and Active Labor Act (EMTALA).
- C. UPMC's Code of Conduct policy governs the actions of individuals employed by or associated with UPMC and its affiliates. The Code's written guidelines, which are based on UPMC's mission, vision, values, and ethics, outline how people must conduct themselves when providing any service on behalf of UPMC.
- D. All financial information obtained from patients will be kept confidential. Refer to UPMC Policies HS-HR0736, Confidential Information and HS-AD0811, Consent for Treatment and Use and Disclosure of Information for Treatment/Payment/Health Care Operations.

#### V. BILLING AND COLLECTION PRACTICES

- A. **Establishing Patient Financial Responsibility**
  - 1. UPMC will make reasonable efforts to identify third-party payers to assist patients in resolving their bills. UPMC will also take the following actions:
    - a. Validate that the patient owes the unpaid bills.
    - b. Collect all amounts permitted from third-party payers.
    - c. Work with patients toward resolution of outstanding insurance claim payment issues.
    - d. Inform patients of, and provide them with reasonable assistance in applying for financial assistance offered by UPMC.
    - e. Invoice patients for the amount of the cost of services for which they have a financial responsibility after the steps outlined above have been taken.

**B. Collecting Patient Information**

1. It is the patient's responsibility to provide UPMC with accurate information regarding health insurance (including primary and secondary carriers), address, and applicable financial resources to determine whether the patient is eligible for coverage through private insurance or through available public assistance programs. The patient is expected to assign benefits due from any insurance carriers.
2. UPMC Registration staff will obtain demographic and financial/insurance information, including specifics as to the types of insurance coverage available, prior to or at the time services are rendered.
3. Patients may be requested to provide identification such as driver's license, telephone numbers including cell phones, email addresses, etc. to insure accuracy of demographics and will also be asked to provide proof of insurance coverage by presenting a valid insurance card.
4. UPMC will make reasonable efforts to verify patient supplied information when services are scheduled or at the time the patient receives services.
5. If the patient or guarantor is unable to provide the billing and collection information needed, including demographic and insurance information, UPMC will attempt to obtain the information for the individual.
6. UPMC will make reasonable and diligent efforts to investigate whether a third party resource may be responsible for payment for the services provided.
7. Where UPMC's reasonable and diligent efforts result in a payment on the health care claim billed, the payment will be applied to the outstanding account.
8. UPMC reserves the right to utilize outside agencies to help pursue payment for services.
9. In recognition that some patients express their financial concerns directly to their physicians, nurse or other treatment providers, UPMC trains staff responsible for admissions, billing, and providing direct patient treatment, about the existence of UPMC's Financial Assistance program and how a patient may obtain more information on it. UPMC will also distribute, as part of its admission/check-in packet, its Plain Language Summary to all patients for inpatient, same day surgery and emergency services.

**C. Patient Responsibilities**

1. The patient has the responsibility to obtain proper physicians referral(s) or other authorizations and may be responsible for unpaid claims resulting from

failure to obtain authorization from the insurance provider. (Refer to UPMC Policy HS-RE0706, Referral/Authorization)

2. The individual is required to inform either his/her current health insurer (if applicable) or the agency that determined the patient's eligibility status in a public health insurance program of any changes in family income or insurance status.
3. In the event of a denial of benefits from the insurance carrier or other responsible party, the patient is expected to assist UPMC in any appeal as necessary.
4. Patients are required to notify any public health insurance program of any lawsuit or insurance claim that will or could cover the cost of the services provided by UPMC.
5. UPMC expects patients to adhere to UPMC policies and guidelines in paying their outstanding balances in a timely manner.

**D. Patient Billing Information / Process**

1. UPMC is responsible for the prompt processing and aggregation of charges for services provided to patients in order to provide for the timely collection of charges and to maintain the financial solvency of UPMC.
2. UPMC bills the insurance carrier (payer) for most services. Co-pays and any other patient responsibility amounts are due at the time of service. The individual will be responsible for paying any charges for services not covered by insurance, which may include the entire amount charged.
3. Except as provided in § IV.B, payment may be required in advance or at the time of service, particularly for non-covered services or out-of-network, copayments, and other deductibles, or selected services such as cosmetic procedures as defined in UPMC Policy HS-RE0723, Financial Clearance for Elective Scheduled Services. UPMC may waive an advance payment requirement for patients with out-of-network insurance coverage, if securing an in-network plan is not permitted by governing regulations, or if converting to an in-network plan would, in the judgement of UPMC, impose substantial financial hardship on a patient.
4. Patient Billing Statements
  - a. UPMC sends patient bills in accordance with the regulations of the Centers for Medicare and Medicaid Services (CMS) and insurance industry regulations. Insurance carriers may have different requirements

based on the insurer's contract with UPMC. Billing shall be consistent with the terms of this contract.

- b. Patients may receive separate bills for services rendered at UPMC such as hospital services, physician services, or an external service, such as an ambulance.
  - c. The hospital bill reflects the room rate, medication, medical supplies, and services including those provided by a hospital based clinic. The hospital bill, sometimes referred to as the facility bill, covers the cost of operating the facility and other overhead costs.
  - d. The Physician's bill is for professional services or procedures performed by the physician.
5. Customer Service Departments are available to provide information or answer questions about patient billing. The contact information is provided on the patient statements, and is also listed on the UPMC website and published in several patient information sources.
  6. UPMC shall comply with applicable requirements with respect to non-billing for specific services or readmissions that UPMC determines to have resulted from a Serious Reportable Events (SRE). SREs that do not occur at UPMC do not preclude UPMC from billing for related services. UPMC further maintains all patient-related information in accordance with applicable federal and state privacy, security, and ID theft laws.
  7. UPMC's billing statements, payment plan statements and dunning letters contain a conspicuous written notice informing patients about the availability of financial assistance which includes:
    - 1) The notice of financial assistance,
    - 2) How to apply for financial assistance,
    - 3) How to obtain the information regarding the program
    - 4) UPMC's phone number and website address
    - 5) Information regarding translations services

**E. Resolving Patient Balances**

Once the patient's financial responsibility has been established, UPMC will provide the patient with information on options available to address the patient balances.

**F. Disputing Bills**

Patients will be informed of the process by which they may question or dispute bills. The name of the office, its address, and a toll-free phone number to which disputes should be directed will be listed on all patient bills and collection notices sent by UPMC. UPMC will respond in writing or by phone to inquiries made by patients to this number within 5 business days after notice of the dispute is received. Should the dispute require further investigation, all collection actions will cease until a final decision has been rendered on the matter.

**G. Actions Taken in Event of Non-Payment**

1. Delinquent Accounts – A patient’s account may become delinquent if payment is not made by the due date noted on the patient statement. If payment is not made for more than two billing cycles or if a partial payment is made, the account may become delinquent.
2. Communication
  - a. Steps will be taken to communicate with patients with delinquent accounts encouraging them to comply with payment plans in order to prevent referrals to outside collection agencies. UPMC will provide information on financial assistance and payment options to patients informing them of the outstanding balance due.
  - b. UPMC may use the following methods in order to collect payment from patients with delinquent accounts: statements and letters requesting payment; phone calls; recorded messages; and written notices.
  - c. During any stage of the revenue cycle process, if a determination is made that the patient requests financial assistance, all collection efforts will be suspended. If the patient applies for UPMC’s Financial Assistance, all collection efforts will be suspended while the application is being considered and the patient is notified regarding the determination of eligibility.

**H. Payment Plans**

1. UPMC provides patients with the ability to pay off their account(s) utilizing a zero percentage, short-term monthly payment plan. Under the Payment Plan option, patients may take up to twenty-four months to pay off their account(s), length determined based on balance and payment plan guidelines, and will receive a statement each month that shows the monthly payment amount and the remaining balance left to pay. UPMC has an on-line portal that patients can access through their MyUPMC account to set up and manage payment plans.

2. If a payment or installment plan is established for a patient account, an explanation of the terms and conditions of the installment plan will be provided to the patient by mail, electronically, or verbally on a recorded line. The terms and conditions will include the total amount financed, a schedule of payments, a due date, and the total payments which will give the exact dollar figure as to how much was paid when the arrangement is paid off in full by the patient on time.
3. A patient may cancel the payment plan agreement at any time by means of a verbal or written communication with or without cause.

## **VI. COLLECTION PRINCIPLES**

### **A. Bad Debt Resolution**

No account will be subject to bad debt collection actions within 3 billing statement cycle of issuing the initial bill and without first making reasonable efforts to determine whether that patient is eligible for financial assistance, unless excluded below. UPMC will not initiate collection actions against a patient if the patient has provided documentation showing that he or she has applied for health care coverage under Medicaid, or another publicly sponsored health care program.

### **B. Collection**

1. Collection actions may be taken by UPMC when pursuing payment from patients with accounts in the following categories:
  - a. Delinquent accounts as defined in Section V, G, 1, a in this policy.
  - b. Accounts ineligible for financial assistance.
  - c. Accounts granted discounts under financial assistance but where the patient is no longer cooperating in good faith to pay the remaining balance.
  - d. Accounts where patients have made no arrangements to resolve their outstanding balance.
  - e. Accounts where patients did not provide accurate contact information so are deemed to be uncooperative and therefore excluded from the 3 billing statement cycle timeframe.
2. Early Out Agencies
  - a. Early Out agencies may be used by UPMC to assist in 1<sup>st</sup> party collection of patient balances.
  - b. External parties are required to abide by UPMC Policies when representing or working on behalf of UPMC.



- c. A copy of the approved UPMC Patient Billing and Collection Policy will be given to all Early Out agency(s) working to collect from patients on UPMC accounts to assure compliance with the policy.

### **3. Collection Agencies**

- a. Collection agencies may be used by UPMC to assist in collecting patient balances. In general, accounts will not be placed with a full service collection agency until internal collection efforts are exhausted.
- b. External parties are required to abide by UPMC Policies when representing or working on behalf of UPMC.
- c. A copy of the approved UPMC Patient Billing and Collection Policy will be given to all collection agency(s) working to collect from patients on UPMC accounts to assure compliance with the policy.

### **4. Collection Actions**

- a. The following collection actions may be pursued by UPMC:
  - 1) An initial bill will be sent to the party responsible for the patient's personal financial obligations.
  - 2) UPMC will issue subsequent patient billings before referring an account to an external collection agency. Patient billing statements inform the individual of the availability of UPMC Financial Assistance and how to apply to the program.
  - 3) The patient may be contacted by telephone, text message, email or by any other notification method that constitutes a genuine and reasonable effort to contact the party responsible for the financial obligation.
  - 4) UPMC will utilize alternative methods to locate the party responsible for the obligation or to determine the correct address on patient billings returned by the postal office service as "incorrect address" or "undeliverable." Alternative methods may include use of skip tracing, use of the internet, post office records or other commercially available means of tracing a patient or guarantor's residence or point of contact.
  - 5) The patient will receive a "final notice" indicating that the account will be referred to an external collection agency when an acceptable payment has not been received or when an appropriate payment plan has not been established.
  - 6) Patients will be informed of the right to establish a payment plan and the option to apply for Medical Assistance, UPMC Financial Assistance and of UPMC's Patients' Notice and Bill of Rights and Responsibilities.
  - 7) UPMC will not engage in Extraordinary Collection Actions such as lawsuits, liens on residences or property, arrests, body attachments, reporting to credit agencies or other similar collection processes.

- 8) UPMC will provide prompt and courteous financial counseling to all patients in need and will assist these patients in obtaining any available financial assistance from federal, state, or private agencies in order to meet their financial obligations to UPMC. Options for Medical Assistance or free care/uncompensated care will be made available to any patients who are unable to pay all or part of their accounts.

#### **5. Third Party Collection Agencies**

- a. The patient account may be referred to the third party collection agency for continued collection efforts.
- b. Typically, the account is referred if payment is not made by the third billing cycle or if a payment plan is not established.
- c. The collection agencies are required to comply with 1.501(r)

### **VII. REFUNDS**

UPMC researches all patient overpayments to ensure that patient refunds are made when appropriately due. The processing of patient refunds will be completed once the research has concluded, and the overpayment is determined to be due back to the patient.

### **VIII. POLICIES REFERENCED WITHIN THIS POLICY**

[HS-RE0722 Financial Assistance Process](#)

[HS-RE0723 Financial Clearance for Elective Scheduled Services](#)

[HS-LE0007 Emergency Medical Treatment and Active Labor Act \(EMTALA\)](#)

[HS-HD-PR-01 Patients' Notice and Bill of Rights and Responsibilities](#)

[HS-EC1603 Notice of Privacy Practices for Protected Health Information \(PHI\)  
Pursuant to HIPAA](#)

[HS-HR0736 Confidential Information](#)

[HS-AD0811 Consent for Treatment and Use and Disclosure of Information for  
Treatment/Payment/Health Care Operations](#)

[HS-RE0706 Referral/Authorization](#)

[HS-PT1204 Preventable Serious Adverse Events](#)

[HS-EC1900 Code of Conduct](#)

[HS-MM0300 Guidelines for Purchasing Materials, Goods and Services](#)

**SIGNED:** Jeffrey Porter  
Vice President, Revenue Cycle

**ORIGINAL:** August 11, 2014

**APPROVALS:**

Policy Review Subcommittee: May 10, 2023 (effective for July 1, 2023)

Executive Staff: May 24, 2023

**PRECEDE:** July 1, 2022

**SPONSOR:** Associate Director, Revenue Cycle

**\* With respect to UPMC business units described in the Scope section, this policy is intended to replace individual business unit policies covering the same subject matter. In-Scope business unit policies covering the same subject matter should be pulled from all manuals.**