



Advancing Health in America

Patient Billing Guidelines

Approved by AHA Board of Trustees

April 20, 2020

The mission of each and every hospital is to serve the health care needs of its community 24 hours a day, 7 days a week. Their task is to care and to cure. America's hospitals and health systems are united in providing care based on the following principles:

- *Treating all people equitably, with dignity, respect and compassion*
- *Serving the emergency health care needs of all, regardless of a patient's ability to pay*
- *Assisting patients who cannot pay for part or all of the care they receive*

The following guidelines outline how all hospitals and health systems can best serve their patients and communities. They underscore hospitals' commitment to ensuring that conversations about financial obligations do not impede care, while recognizing that determinations around financial assistance require mutual sharing of information by providers and patients. Additionally, they balance needed financial assistance for some patients with the hospital's broader fiscal responsibilities in order to keep their doors open for all who may need care in a community.

These voluntary guidelines represent the AHA's expectations of what the hospital and health system field can and should do to address issues of coverage, billing and debt collection, and accountability. The guidelines are largely adapted from what is already required in federal law for tax-exempt hospitals () and are intended to align with a core principle of universal coverage. Specifically, all individuals should have access to and ensure they are enrolled in a form of comprehensive health coverage as the primary mechanism for paying for care. Moreover, the guidelines are crafted to reflect the hospital field's immense diversity. Hospitals will need to adapt these guidelines to the needs and expectations of their particular communities. Hospitals in some states may need to modify use of these guidelines to comply with state laws and regulations.*

Guidelines

Helping Patients Pay for Hospital Care

Helping Patients Qualify for Coverage

- Hospitals should help uninsured patients identify potential sources of public and private coverage.
- Hospitals should assist uninsured patients with submitting an application for coverage, or direct patients to other services and supports that can help them get enrolled.

Helping Patients Qualify for Financial Assistance

- Hospitals should have a written financial assistance policy.*

- Hospitals' financial assistance policy should describe when care may be free or discounted, and delineate eligibility criteria, the basis for determining a patient's out-of-pocket responsibility and the method for applying for financial assistance.*
- Hospitals should communicate this information to patients in a way that is easy to understand, culturally appropriate and in the most prevalent languages used in their communities.*
- Hospitals should publicize their financial assistance policies broadly within the community served (e.g., post on the premises and on the website and/or distribute directly to patients) and share them with other organizations that assist people in need.*

Providing Financial Assistance to Patients

- Hospitals should create and adhere to a reasonable and compassionate policy that governs the free care for patients with the most limited means as defined by income below 200% of the federal poverty limit (FPL) combined with a level of assets appropriate for the community.
- Hospitals should create and adhere to a reasonable and compassionate policy that governs the payment obligations for other patients of limited means up to a certain percentage of income and assets, or percentage of the FPL, as appropriate for the community, regardless of insurance status.
- Hospitals should provide a reasonable discount when billing patients of limited means.*
- Hospitals should apply financial assistance policies consistently and fairly, without regard to race, ethnicity, gender, religion, etc.

Ensuring Fair Billing and Debt Collection Practices

Communicating Effectively with Patients

- Hospitals should use a billing process that is clear, concise, accurate and patient friendly.
- Hospitals should respond promptly to patients' questions about their bills and requests for financial assistance.
- Hospitals should provide financial counseling to patients to assist them in paying their bill, and make the availability of this counseling widely known.
- Hospitals should have a written debt collection policy.*
- Hospitals should ensure that every effort is made to work together with patients to determine whether the individual is eligible for financial assistance before undertaking significant collections actions, and those efforts can include working with other organizations or entities that can help make the determination.*
- Hospitals' written collections policies should include the actions that may be taken in the event of nonpayment and require an advance notice of at least 30 days to patients identifying the specific action(s) it intends to take, when the action will be initiated, and the availability of financial assistance.*
- Hospitals should ensure that staff members who work closely with patients are educated about hospital billing, financial assistance, and collection policies and practices.

Oversight of Third-party Debt Collection

- Hospitals should require any contracted third-party debt collection company to be compliant with the Fair Debt Collection Practices Act.

*These guidelines are currently required in federal law for tax-exempt hospitals.

- Hospitals should require any contracted third-party debt collection company to meet key components of its collection policies as well as any legal requirements that would apply if the action were taken directly by the hospital.*
- Hospitals should require regular reports on debt collection efforts, including attestation of compliance with hospital policies and obligations.

Protecting Patients from Certain Debt Collection Practices

- Hospitals' billing and collection policy should forgo garnishment of wages, liens on a primary residence, applying interest to the debt, adverse credit reporting, or filing of a lawsuit unless the hospital has established that the individual is able but unwilling to pay.
- Hospitals' billing and collection policy should establish the minimum amounts owed that could lead to debt collection or filing of a lawsuit.
- Hospitals should make multiple attempts to reach and negotiate with patients before proceeding to court action.

Ensuring Accountability

Approval of Financial Assistance and Debt Collection Policies

- The hospital governing body should approve and annually review financial assistance and collection policies, as well as routinely review the status of hospital debt collection efforts.*
- The hospital leadership should continually review hospital policies and practices related to these guidelines to ensure they are best serving their patients and communities.

*These guidelines are currently required in federal law for tax-exempt hospitals.