St. Mary's Healthcare Amsterdam **St. Mary's Organizational Policy Manual**	**Policy #**	**PR 4.8**
	Title:	**Billing and Collection Policy**
	Replaces Policy:	**PR 4.5**
	Policy Originator:	Vice President of Finance
	Concurrence:	Director-Patient Financial Services
Chapter **Patient Rights**	**Effective Date:**	July 1, 2016
	Revised Date:	7/1/17, 7/1/18, 7/1/19,10/01/2024, 02/06/2026, 09/11/2026
	Approval:	St. Mary's Board of Directors
	Date:	07/01/16

I. POLICY/PRINCIPLES

It is the policy of St. Mary's Healthcare (the "Organization") to ensure a socially just practice for providing emergency or medically necessary care at the Organization pursuant to its Financial Assistance Policy (or FAP). This Billing and Collection Policy is specifically designed to address the billing and collection practices for Patients who are in need of financial assistance and receive care at the Organization.

All billing and collection practices will reflect our commitment to and reverence for individual human dignity and the common good, our special concern for and solidarity with persons living in poverty and other vulnerable persons, and our commitment to distributive justice and stewardship. The Organization's employees and agents shall behave in a manner that reflects the policies and values of a Catholic-sponsored facility, including treating Patients and their families with dignity, respect and compassion.

This Billing and Collection Policy applies to all emergency and other medically necessary services provided in the Organization, including employed physician services and behavioral health. This Billing and Collection Policy does not apply to payment arrangements for non-medically necessary elective procedures.

II. DEFINITIONS

1. "**501(r)**" means Section 501(r) of the Internal Revenue Code and the regulations promulgated thereunder.

2. **"Application Period"** refers to the timeframe during which a patient may submit a Financial Assistance Program (FAP) application. This period begins on the earlier of either the date the application is submitted or the date the medical care was provided. Patients may submit a FAP application at any time during the collection period. All outstanding balances within 180

days from the date of the first post-discharge statement are eligible for financial assistance. Additionally, any future accounts incurred within that 180-day window are also eligible.

3. "**Extraordinary Collections Actions**" **or** "**ECAs**" means any of the following collection activities that are subject to restrictions under 501(r):

4.1 Extraordinary Collection Actions (ECAs)

In accordance with IRS Section 501(r)(6) and the 2026 New York State financial assistance regulations, the following actions are considered Extraordinary Collection Actions (ECAs) and are strictly limited or prohibited. The Hospital must make reasonable efforts to determine financial assistance eligibility before initiating any of the following:

4.1-1 Selling a Patient's Debt

- Prohibited unless the purchaser agrees in writing to:
  - Comply with the hospital's Financial Assistance Policy (FAP),
  - Not engage in ECAs unless eligibility has been assessed,
  - Return the debt if the patient is later found eligible for assistance.

4.1-2 Reporting to Credit Agencies

- Prohibited under New York State law.
  - Hospitals may not report any medical debt to consumer credit reporting agencies or credit bureaus under any circumstances, regardless of the patient's financial assistance status.

4.1-3 Denying or Delaying Medically Necessary Care

- Hospitals may not defer, deny, or require upfront payment for medically necessary care due to unpaid bills for prior care covered under the FAP.

4.1-4 Legal or Judicial Actions

- Legal actions are considered ECAs and include, but are not limited to:
  - 4.1-4.1 Placing a lien on a patient's property – Prohibited in New York State Law
  - 4.1-4.2 Levying or seizing bank accounts or personal property – Prohibited in New York State Law
  - 4.1-4.3 Filing a civil lawsuit against a patient,
  - 4.1-4.4 Garnishing wages – Prohibited in New York State Law

New York State Addendum:

- ECAs may not be initiated within 180 days of the first post-discharge billing statement.
- Patients receive clear, accessible notice of financial assistance options at registration, discharge, and on all billing statements.
- Installment plans must not exceed 5% of gross monthly income, and interest rates are capped at 2%.
- The Organization does not require credit card pre-authorization, does not require patients to have a credit card on file, and does not condition the provision of medically necessary services on a patient's ability or willingness to provide credit card information. Additionally, the Organization does not file for or require prior credit card authorization before rendering medical services.

4.2 An ECA does not include any of the following (even if the criteria for an ECA as set forth above are otherwise generally met):

4.2-1 The sale of a Patient's debt if, prior to the sale, a legally binding written agreement exists with the purchaser of the debt pursuant to which:

4.2-1.1 the purchaser is prohibited from engaging in any ECAs to obtain payment for the care;

4.2-1.2 the purchaser is prohibited from charging interest on the debt in excess of the rate in effect under section 6621(a)(2) of the Internal Revenue Code at the time the debt is sold (or such other interest rate set by notice or other guidance published in the Internal Revenue Bulletin);

4.2-1.3 the debt is returnable to or recallable by the Organization upon a determination by the Organization or the purchaser that the Patient is eligible for Financial Assistance; and

4.2-1.4 the purchaser is required to adhere to procedures specified in the agreement that ensure that the Patient does not pay, and has no obligation to pay, the purchaser and the Organization together more than he or she is personally responsible for paying pursuant to the FAP if the Patient is determined to be eligible for Financial Assistance and the debt is not returned to or recalled by the Organization;

4.2-1.5 the filing of a claim in any bankruptcy proceeding.

4. "**FAP**" means the Organization's Financial Assistance Policy, which is a policy to provide Financial Assistance to eligible Patients in furtherance of the Organization's mission and in compliance with 501(r).

5. "**FAP Application**" means the application for Financial Assistance.

6. "**Financial Assistance**" means the assistance the Organization may provide to a Patient pursuant to the Organization's FAP.

7. "**Organization**" means St. Mary's Healthcare. To request additional information, submit questions or comments, or submit an appeal, you may contact the office listed below or as listed in any applicable notice or communication you receive from the Organization:

   Patient Financial Services
   518-841-7132

8. "**Patient**" means an individual receiving care (or who has received care) from the Organization and any other person financially responsible for such care (including family members and guardians).

III. PROCEDURE

BILLING AND COLLECTION PRACTICES

The Organization does not store, retain, or maintain patients' credit card, debit card, bank account, or other payment information for future use. Patients are required to provide payment information for each transaction as applicable.

Notice Regarding Credit Card Payments

Patients who choose to pay for medical services using a traditional credit card should be aware that medical bills paid with a credit card may no longer be considered medical debt under certain New York State consumer protection laws. By using a traditional credit card to pay for medical services, patients may forgo certain federal and state consumer protections applicable to medical debt, including protections related to wage garnishment, property liens, credit reporting, and other collection activities.

The Organization maintains an orderly process for regularly issuing billing statements to Patients for services rendered and for communicating with Patients. In the event of nonpayment by a Patient for services provided by the Organization, the Organization may engage in actions to obtain payment, including, but not limited to, attempts to communicate by telephone, email, and in-person, and one (1) or more ECAs, subject to the provisions and restrictions contained in this Billing and Collection Policy.

Pursuant to 501(r), this Billing and Collection Policy identifies the reasonable efforts the Organization must undertake to determine whether a Patient is eligible under its FAP for Financial Assistance before it engages in an extraordinary collection action, or ECA. Once a determination is made, the Organization may proceed with one or more ECAs, as described herein.

1. FAP Application Processing Except as provided below, a Patient may submit a FAP Application at any time during the Application Period. The Organization will not be obligated to accept a FAP Application after the Application Period unless otherwise specifically required by 501(r). Determinations of eligibility for Financial Assistance will be processed based on the following general categories:

    1.1 Complete FAP Applications. In the case of a Patient who submits a complete FAP Application during the Application Period, the Organization shall, in a timely manner, suspend any ECAs to obtain payment for the care, make an eligibility determination, and provide written notification, as provided below.

    1.2 Presumptive Eligibility Determinations. For patients who are non-responsive to The Organization's application process, other sources of information, such as estimated income and family size provided by a predictive model may be used to make an individual assessment of financial need. This information will enable The Organization to make an informed decision on the financial need of non-

responsive patients utilizing the best estimates available in the absence of information provided directly by the patient. The Organization may utilize a third-party to review the patient's information to assess financial need. This review utilizes a healthcare industry-recognized, predictive model that is based on public record databases. The model incorporates public record data to calculate a socio-economic and financial capacity score that includes estimates for income, resources, and liquidity. The model's rule set is designed to assess each patient to the same standards and is calibrated against historical financial assistance approvals for The Organization. The predictive model enables The Organization to assess whether a patient is characteristic of other patients who have historically qualified for financial assistance under the traditional application process. Information from the predictive model may be used by The Organization to grant presumptive eligibility in cases where there is an absence of information provided directly by the patient. Where efforts to confirm coverage availability have been unsuccessful, the predictive model provides a systematic method to grant presumptive eligibility to financially needy patients.

1.3 Notice and Process Where No Application Submitted. Unless a complete FAP Application is submitted or eligibility is determined under the presumptive eligibility criteria of the FAP, the Organization will refrain from initiating ECAs for at least 180 days from the date the first post-discharge billing statement for the care is sent to the Patient. In the case of multiple episodes of care, these notification provisions may be aggregated, in which case the timeframes would be based on the most recent episode of care included in the aggregation. Before initiating one (1) or more ECA(s) to obtain payment for care from a Patient who has not submitted a FAP Application, the Organization shall take the following actions:

1.3-1 Provide the Patient with a written notice that indicates Financial Assistance is available for eligible Patients, identifies the ECA(s) that are intended to be taken to obtain payment for the care, and states a deadline after which such ECA(s) may be initiated that is no earlier than 30 days after the date the written notice is provided;

1.3-2 Provide the Patient with a plain language summary of the FAP; and

1.3-3 Make a reasonable effort to verbally notify the Patient about the FAP and the FAP Application process.

1.4 Incomplete FAP Applications. In the case of a Patient who submits an incomplete FAP Application during the Application Period, the Organization shall notify the Patient in writing about how to complete the FAP Application and give the Patient thirty (30) calendar days to do so. Any pending ECAs shall be suspended during this time, and the written notice shall (i) describe the additional information and/or documentation required under the FAP or the FAP Application that is needed to complete the application, and (ii) include appropriate contact information.

2. Restrictions. In a situation where the Organization intends to require a payment before providing medically necessary care, as defined in the FAP, because of a Patient's inability to pay one or more bills for previously provided care covered under the FAP, the Patient will be provided a FAP Application and a written notice indicating that Financial Assistance is available for eligible Patients.

3. Determination Notification.

   3.1 Determinations. Once a completed FAP Application is received on a Patient's account, the Organization will evaluate the FAP Application to determine eligibility and notify the Patient in writing of the final determination within thirty (30) calendar days. The notification will include a determination of the amount for which the Patient will be financially responsible to pay. If the application for the FAP is denied, a notice will be sent explaining the reason for the denial and instructions for appeal or reconsideration.

   3.2 Reversal of ECA(s). To the extent a Patient is determined to be eligible for Financial Assistance under the FAP, the Organization will take all reasonably available measures to reverse any ECA taken against the Patient to obtain payment for the care. Such reasonably available measures generally include, but are not limited to, measures to vacate any judgment against the Patient, lift any levy or lien on the Patient's property, and remove from the Patient's credit report any adverse information that was reported to a consumer reporting agency or credit bureau.

4. Appeals. The Patient may appeal a denial of eligibility for Financial Assistance by providing additional information to the Organization within thirty (30) calendar days of receipt of notification of denial. All appeals will be reviewed by the Organization for a final determination. The Patient may apply again at any point during the 180-day collection period if they believe their financial status has changed. If the final determination affirms the previous denial of Financial Assistance, written notification will be sent to Patient. An appeal does not otherwise extend or reset the application process provided in this Billing and Collection Policy.

5. Collections. Upon conclusion of the above procedures, the Organization may proceed with ECAs against uninsured and underinsured Patients with delinquent accounts, as determined in the Organization's procedures for establishing, processing, and monitoring Patient bills and payment plans. Subject to the restrictions identified herein, the Organization may utilize a reputable external bad debt collection agency or other service provider for processing bad debt accounts, and such agencies or service providers shall comply with the provisions of 501(r) applicable to third parties. Accordingly, each collection agency engaged will be made aware of the Organization's Financial Assistance Policy. Organization requires that all contracted collection agencies be compliant with all financial assistance policies. Collection agencies will be required to notify Patients of Organization's financial assistance program. Collection agencies must obtain the Organization's written consent before

commencing legal action. Collection activity is prohibited for individuals found to be eligible for Medicaid. Organization will not force the sale or foreclosure of a Patient's primary residence to collect an outstanding debt. Subject to applicable federal and New York State laws and regulations, the Organization may seek and obtain a judgment for unpaid Hospital debt exceeding $1,000 when all required billing, notification, financial assistance screening, and collection procedures outlined in this Policy have been completed. Prior to initiating legal action to obtain a judgment, the Organization shall ensure that the Patient has been provided a reasonable opportunity to apply for financial assistance, has received required notices regarding available financial assistance programs, and otherwise meets the criteria for extraordinary collection actions as set forth in this Policy and applicable law. Any legal action undertaken by the Organization or its authorized collection agency shall comply with all applicable federal, state, and local requirements, including New York State patient protection and debt collection laws.

Review and Compliance: This policy will be reviewed annually to ensure compliance with applicable laws and regulations and to address any changes in organizational practices or patient needs.