



Billing and Collection Guidelines for Wisconsin Hospitals

Guidelines from the Wisconsin Hospital Association

Background

Wisconsin hospitals have a long tradition of providing needed health care to their communities, 24 hours a day, seven days a week. That care is provided regardless of ability to pay. Every day, Wisconsin hospitals provide uncompensated care to thousands of patients costing millions of dollars. In 2006, over 871,000 individuals received over \$809 million in uncompensated care. Following is a “real life” story from Holy Family Memorial Hospital in Manitowoc, Wisconsin:

“A 45-year-old female patient was diagnosed with breast cancer. Unfortunately, at the time she was diagnosed, she was only receiving income to take care of her elderly disabled father. She did not have health insurance of her own. She applied for Community Care from Holy Family Memorial and received a full discount. Her treatment took over one year and she received well over \$50,000 worth of treatment fully covered by Community Care.”

To help provide guidance in balancing their responsibilities to provide care regardless of ability to pay—and the need to maintain financial viability—the Wisconsin Hospital Association developed the 2004 Billing and Collection Guidelines for Wisconsin Hospitals. These guidelines provide guidance to hospitals as they review and revise the policies they use when assisting uninsured patients.

In 2007, WHA revised the guidelines to include specific income eligibility levels for financial assistance, ways to address catastrophic hospital bills, and reasonable collection practices. The following principles communicate what Wisconsin patients can expect from their hospitals.

Principles

- Concern regarding a hospital bill should never get in the way of a patient receiving essential health services.
- Hospitals should have financial aid policies that are consistent with the mission and values of the hospital, should reflect a patient’s ability to pay for services, and should be broadly communicated.
- Financial aid policies should be clear, understandable, and communicated in a manner that is dignified and in languages appropriate to the communities and patients served.
- Debt collection policies—by both hospital staff and external collection agencies—must reflect the mission and values of the hospital.
- Financial aid policies must balance a patient’s need for financial assistance with the hospital’s broader fiscal responsibilities.
- Financial aid provided by the hospital is not a substitute for the responsibility of government to adequately fund coverage for participants in government health care programs.
- Financial aid policies do not eliminate personal responsibility. All patients are expected to contribute to their care based on their individual ability to pay.

The revised 2007 guidelines, which have been acknowledged and embraced by Attorney General J.B. Van Hollen, embody the principles outlined above, and at the same time, allow flexibility for hospitals to adopt the guidelines in a way that reflects the needs of their communities. Most importantly, the principles and guidelines reflect the caring and compassionate mission of Wisconsin’s not-for-profit hospitals.