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Billing and Collection Practices

Background

Sensationalized and anecdotal reports in other states have created increased scrutiny of hospital billing and collection practices. In Wisconsin, hospitals provide more than \$1.5 million per day in uncompensated care and have a long tradition of providing health care to their communities – regardless of ability to pay. Wisconsin hospitals are committed to treating all patients with compassion, from the bedside to the billing office. At the same time, hospitals have a responsibility to all patients to attempt to obtain payment from those able to pay. The financial viability of hospitals is affected by whether hospitals are successful in obtaining payment from those responsible.

Issues

- For many years, Wisconsin hospitals have publicly reported their policies relating to charity care. These policies describe the hospital's charity care program and summarize the procedures used to determine a patient's ability to pay. The WHA Board of Directors has taken the next step and adopted billing and collection guidelines for member hospitals.

WHA Position

- Concern regarding a hospital bill should never get in the way of a patient receiving essential health services. Hospitals should convey this message to prospective patients and local community service agencies.
- Hospitals should have financial aid policies that are consistent with the mission and values of the hospital. These policies, which should be broadly communicated, should reflect a commitment to provide financial assistance to patients' ability to contribute to the cost of his or her care.
- 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.



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- 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. Eligible patients may or may not be expected to access public or private insurance options in order to qualify for financial aid. However, all patients are expected to contribute to their care based on their individual ability to pay.

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Related Resources

WHA Website

<http://www.wha.org/financeAndData/Billingcollection.aspx>

<http://www.wha.org/financeAndData/pdf/BillingCollectionPaper5-08.pdf>

