

## RANDOLPH HEALTH POLICY

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**Title:** Medical Debt Mitigation  
**Policy:** FD-PA- 9  
**Scope:** Hospital-Wide  
**Current Effective Date:** January 1, 2025  
**Last Review Date:**  
**Original Policy Date:** December 11, 2024  
**Prepared by:** Director of Patient Financial Services, Donna Parsons  
**Approved by:** CFO, Kent Thompson

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### POLICY/PURPOSE

Randolph Health recognizes the cost of necessary health care services can impose a financial burden on patients and will act to lessen that burden following State guidelines for Debt Mitigation in addition to our Financial Assistance Program.

### FINANCIAL ASSISTANCE

*Implementation effective January 1, 2025*

Randolph Health will provide medical debt relief to patients who are North Carolina residents and meet the non-income presumptive eligibility as defined by the State of North Carolina and NC Department of Health and Human Services. This policy will exclude elective cosmetic services.

#### A. Presumptive Non-Income Based Eligibility

1. Patients must meet at least one of the criteria below to be eligible.
  - a. Unhoused (homeless)
  - b. Patient or child in their household enrolled in Medicaid.
  - c. Patient or child in their household enrolled in other income tested public assistance programs such as Women, Infants, and Children Nutrition Program (WIC) or Supplemental Nutrition Assistance Program (Food Stamps), etc.
  - d. Mental incapacitation with no one to act on the patient's behalf.
2. Patients will be notified of eligibility as follows:
  - Non-Emergency Department services will be notified prior to discharge.
  - Emergency Department services will be screened as soon as possible and notified as soon as possible but prior to issuing a bill to the patient.

*Implementation effective July 1, 2025*

## **B. Prior Medical Debt Financial Assistance**

1. Randolph Health will, with the assistance of vendor partner, Undue Medical Debt, identify and relieve/donate all unpaid medical debt back to October 1, 2021, for North Carolina residents who are currently enrolled in Medicaid (including family planning coverage). This relieved debt will be reclassified as charity care. This relief will include any remaining debts from payment plans previously agreed by the patient.
2. Randolph Health will evaluate all patients at the time of service who are North Carolina residents and enrolled in Medicaid for past medical debt within 60 days of the patient's inpatient discharge or outpatient encounter from the hospital and reclassify any existing patient debt as charity care.
3. Randolph Health will relieve all medical debt deemed uncollectible dating back to October 1, 2021, for any North Carolina residents with incomes at or below 350% Federal Poverty Level or for whom total debt exceeds 5% of annual income. Debt will be considered uncollectible after unsuccessful attempts at collection (meaning unpaid in full with no payment plan has been established) for at least two years from the date of the first bill sent to the patient and no active appeal with an insurer for this debt exists.
  - a. Outstanding balances associated with payment plans where patients have made payments for more than 36 months will be relieved.
  - b. Other current payment plans in place shall be capped at 36 months with no change to the monthly payment amount.
  - c. Patients will be informed within 30 days of relieving/donating the debt.

### ***Implementation effective January 1, 2026***

#### **A. Income Based Presumptive Eligibility**

1. Randolph Health will deem patients presumptively eligible for financial assistance without documentation of resources or income if household income is at or below 300% of Federal Poverty Level.
2. Patients will be notified of eligibility for income-based presumptive eligibility prior to the patient receiving a bill.

### ***Implementation effective July 1, 2026***

#### **A. Prior Medical Debt Financial Assistance**

1. Randolph Health will relieve all medical debt deemed uncollectible dating back to October

1, 2021, for any North Carolina residents with incomes at or below 350% of FPL, or for whom debt exceeds 5% of annual income.

- a. Will qualify if income at the time of data analysis meets the income threshold
- b. Debt is considered uncollectible if debt has not been paid in full and no payment plan exists after 2 years of attempted collections, and there is no active payor appeal.
- c. For patients whose income is at or less than 300% of FPL with payment plans on which they have paid more than 36 months will be relieved. Existing payment plans for terms less than 36 months shall be capped at 36 months with no change in amount of payment.

**Collection Practices**

- 1. Effective January 1, 2025, the Randolph Health Charity Policy incorporates the new sliding scale for Financial Assistance based on FPLs and as outlined by State guidelines.

Discount	Current Year Federal Poverty Levels for Family Size
100%	Family income is less than or equal to 200% of FPL
75%	Family income is 201% to 250% of FPL
50%	Family income is 250% - 300% of FPL

- 2. ED uninsured patients will not be asked to pay greater than any amount owed per the sliding FPL scale or \$35. The insured will not be asked to pay more than their plan co-pays.
- 3. Effective January 1, 2025, Randolph Health or its collection partners will offer a payment plan that does not exceed a duration of 36 months with monthly payments no greater than 5% of monthly household income. (see worksheet, Appendix A)
- 4. Randolph Health does not currently charge interest on patient debt but effective July 1, 2025, will not charge a percentage to exceed 3% going forward.
- 5. Randolph Health does not currently sell patient medical debt; however, in the event patient debt is sold to a third-party debt collector the following will apply:
  - a. Debt will not be sold to 3<sup>rd</sup> parties prior to 120 days after the first bill sent to the patient.
  - b. Debt will not be sold to 3<sup>rd</sup> parties with income levels at 300% or less of FPL except for the purpose of relieving debt.

6. Neither Randolph Health nor its collection partners may take the following actions to collect medical debt:
  - a. Cause a debtor's arrest.
  - b. Cause a debtor's to be held in civil contempt or imprisoned.
  - c. Foreclose on a debtor's real property.
  - d. Garnish a debtor's wages or state income tax refunds.
  
7. Neither Randolph Health nor any of its collection partners will engage in permissible extraordinary collection efforts or actions for 180 days after the first bill has been sent.

**RESPONSIBILITY FOR INTERPRETATION**

The Chief Financial Officer will be responsible for the interpretation of this policy.

**Special Approval**

**Signature**

**Date**

Kent C. Thompson

Kent C. Thompson

12/30/24