



healthcare financial management association

Recommended steps prior to initiating an extraordinary collection action (ECA)			
	Credit Reporting	Debt Sale	Legal Action <sup>5</sup>
501(r) requirements met.	✓	✓	✓
Screening to obtain correct address/phone number, and other contact information (e.g., skip tracing) completed.	✓	✓	✓
Screening for primary/secondary payer for billing. This includes eligibility for public programs, COBRA and exchange-based coverage.	✓	✓	✓
Accurate payment made and payment posted by provider (if balance is after insurance) verified.	✓	✓	✓
Reasonable communications efforts attempted to provide information to patients regarding the availability of: <ul style="list-style-type: none"> <li>• Financial assistance/other potential discounts</li> <li>• Financing options/payment plans</li> </ul>	✓	✓	✓
Financial assistance (charity care, uninsured/self-pay discounts) determination attempted using any available information collected from the patient and/or via presumptive screening tools or presumptive eligibility categories.	✓	✓	✓
Screening for adherence to negotiated payment plan (if one exists) completed.	✓	✓	✓
Bankruptcy status verified.	✓	✓	✓
Screening for other indicators of indigence completed. Examples may include: patient/family qualifies for free school lunch program, family is eligible for SNAP, patient/responsible party lives in subsidized housing, patient/responsible party is homeless.	✓	✓	✓
Screening for balance materiality threshold completed.	✓	✓	✓
Screening for appropriate account aging/prior resolution attempts. <sup>6</sup>	✓	✓	✓
Review of credit report completed. Includes overall score, existing liability balances, current liability statuses) across all open loans and credit accounts to ascertain the patient's ability to pay.			✓
Confirmed the patient's/responsible party's current estimated income above provider threshold for legal action?			✓
Patient/responsible party likely to sustain current earnings based on job type and tenure in current role?			✓
File sent or made available by business affiliate to provider documenting due diligence steps (if actions completed by business affiliate).	✓	✓	✓
ECA approved by hospital revenue cycle leader <sup>7</sup> after determining that all applicable steps in the checklist have been taken. This is determined by reviewing either internal records or a file sent by the business affiliate working the account. The ECA review and approval process is intended to provide a crucial pause point that ensures the use of an ECA is the appropriate next step based on the hospital's board-approved account resolution policy.	✓	✓	✓
Once ECA is approved, final notice giving patient/responsible party 30 days to respond <sup>8</sup> is sent. <sup>9</sup>	✓	✓	✓

<sup>5</sup> Includes civil actions and garnishments.

<sup>6</sup> Assumes provider/business affiliate has some verified contact information and is able to send statements/texts/emails and/or make calls based on contact information.

<sup>7</sup> Individual who is a manager or above.

<sup>8</sup> If the patient responds via phone, call scripting should include discussion of available financial assistance.

<sup>9</sup> Notice includes potential options for financial assistance and payment plans.

Source: Healthcare Financial Management Association. "Best Practices for Resolution of Medical Accounts," hfma.org/dollars