



Medical Debt Relief Policy Northern Regional Hospital

Effective Date: 1/1/2025
Last Review Date: 6/1/2026

Purpose: To establish a framework for identifying and providing presumptive eligibility for medical debt relief to patients who are North Carolina residents. This policy aims to reduce the financial burden on eligible patients and ensure timely access to necessary medical services.

Scope: This policy applies to all hospital staff involved in patient care, billing, and financial assistance services.

Policy Statement

Northern Regional Hospital, in accordance with the North Carolina Medical Debt Mitigation Policy, is committed to preventing medical debt accumulation through a presumptive process for eligible patients. This policy ensures that eligible patients receive access to financial assistance resources as outlined in the N.C. Medical Debt Relief Incentive Program (NC MDRIP). This policy applies to hospital inpatient and outpatient services only, excluding professional services or retail pharmacies. This policy shall not apply to those services deemed to be elective, cosmetic, or non-medically necessary.

Definitions

- **Presumptive Eligibility:** A process that allows patients to receive medical debt relief based on preliminary information regarding certain non-income-based criteria.
 - For patients that are determined presumptively eligible for Financial Assistance, documentation will not be required.
- **Northern Regional Hospital Financial Assistance Program, also known as 'Charity Care':** Financial assistance provided to eligible patients to cover medical expenses that do not meet eligibility guidelines for the NC MDRIP initiative.

Procedures

1. Eligibility Criteria

Patients must be:

- Residents of North Carolina.
- Respond in the affirmative to the non-income-based criteria questions during the registration process.

Non-Income-Based Questions include:

1. Homelessness
2. Mental incapacitation of patient or a child in their household
3. Enrollment in Medicaid of patient or a child in their household
4. Enrollment in another means-tested public assistance program (including, but not limited to Women, Infants and Children Nutrition Program, Supplemental Nutrition Assistance Program)



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Income-Based Eligibility will be determined by a third-party software tool to evaluate household income. Any patients with a household income up to 300% of the FPL (if they do not already meet non-income-based criteria described above) will be presumptively eligible for financial assistance.

2. Identification and Screening

- Non-emergency services: Patients will be screened prior to or at check-in and will be notified of results prior to discharge.
- Emergency department services: Patients will be screened as soon as possible (prior to discharge if feasible) and will be notified of results prior to issuing a bill to the patient.

3. Discounts Available for Eligible Patients

- i. Discount of 100% for individuals with incomes below 200% FPL.
- ii. Discount of at least 75% for individuals with incomes between 200% - 250% FPL.
- iii. Discount of at least 50% for individuals with incomes between 250% - 300% FPL.
- iv. Discounts must be applied to the amount the patient owes (i.e. accounting for contractual allowances and insurance payments, if applicable) or the "amount generally billed" for uninsured individuals.¹
- v. Discounts must apply consistently to uninsured and insured individuals and to all NC residents.

4. Medicaid Enrollee's

- NRH will relieve all unpaid patient medical debt dating back to January 1, 2014, for North Carolina residents who are currently enrolled in Medicaid. Beginning July 1, 2025, and thereafter, all patients who are NC residents will have their past medical debt reviewed within 60 days of an inpatient or outpatient encounter, and past debt will be reclassified as charity care. This debt does not include charges relating to professional services. The hospital will inform patients within 30 days of reclassifying debt as charity care or relieving/donating debt.

5. Financial Assistance Communication

- Staff will inform patients of an alternative pathway who are not deemed presumptively eligible during their hospital visits and provide written materials outlining the financial assistance process, benefits and encouraging the patient to apply for the hospital's program with the documentation outlined within the NRH Financial Assistance Application.
- The application will be available in multiple formats (and languages), ensuring accessibility for all patients. The application can be obtained physically at the facility at time of service, online at www.choosenorthern.org, as well as a hardcopy request by mail/email from Northern Regional Customer Service by phone (336)719-7458 or by email at customerservice@wearenorthern.org.



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6. Policy Revision

- This policy will be reviewed annually or as needed to ensure it remains compliant with applicable laws and regulations and meets the needs of our patients.

7. Monitoring and Reporting

- A tracking system will be established to monitor all reclassifications and debt relief provided under this policy.
- Regular reports will be submitted to the administration to assess the effectiveness/functionality and implementation of the policy.

8. Training and Education

- All relevant staff will receive training on this policy to ensure consistent application and communication with patients.
- Ongoing education will be provided to keep staff informed of any changes to NC MDRIP requirements/policy updates, the NRH financial assistance resources/ application.

Responsibilities

•Revenue Cycle Director & Central Billing Director:

Ensure staff are trained and the policy is implemented effectively.

Ensure all materials, forms, applications and policies are up to date, accessible, and keep open lines of communication with superiors, colleagues/hospital staff, patients and patient advocates alike.

Monitor compliance with the presumptive eligibility process and report findings.

• **All NRH Staff:** Communicate the availability of financial assistance and presumptive eligibility to patients.

Interest Rate: The interest rate for all medical debt held directly by the Institution shall not exceed 3%.

Debt Sale Restrictions:

- Debt will not be sold to third parties prior to 120 days after the first bill has been issued to a patient.
- The Institution shall not sell debt to third parties for individuals with incomes up to 300% of FPL, unless for the purpose of relieving the debt.
- If a patient enters into third-party collection arrangements, the Institution will attest that such vendors will comply with all applicable requirements.



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Collection Practices:

- Medical creditors/debt collectors (including the Institution and any contracted third party collection agencies) will not cause an individual's arrest to collect medical debt.
- Medical creditors/debt collectors (including the Institution and any contracted third party collection agencies) will not cause an individual to be held in civil contempt or imprisoned to collect medical debt.
- Medical creditors/debt collectors (including the Institution and any contracted third party collection agencies) will not foreclose on an individual's real property to collect medical debt.
- Medical creditors/debt collectors (including the Institution and any contracted third party collection agencies) will not garnish wages or State income tax refunds to collect medical debt.
- A 180-day delay after the first bill for a medical debt has been sent before medical creditors/debt collectors engage in any permissible extraordinary collection actions.
- Medical creditors/debt collectors will provide patients with 30 days notice of any extraordinary collection actions.
- Hospital and contracted debt collectors will reverse any extraordinary debt collection actions if a patient is later found to be eligible for financial assistance.

Credit Reporting:

- **The Institution and contracted collections agencies will not report a patient's debt to a credit reporting agency.**
- **Forgiven debts are retracted from credit reports if reported.**
- **Liability and Spousal Policies:**
 - **No individual is held liable for medical debt of another individual 18 years of age or older.**
 - **Spouses receive the same mitigation policies as the patient.**
- **Legal Actions:**
 - **Medical creditors/debt collectors will not initiate legal action against a patient for any claims where an insurance appeal/review is pending within the previous 60 days.**
 - **Medical creditors will not refer debts to an external debt collector if an insurance appeal/review was pending within the previous 60 days.**



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Requirements of Medical Debt Mitigation (MDMP)

Emergency Department Services Co-Pay: For emergency department services, hospitals to collect a fee from insured and uninsured patients that is the greater of (1) the amount the patient would owe based on the percentage discounts specified in the MDMP (Section 3 above), or (2) \$35, not to exceed cost-sharing under the patient's health plan (for insured patients).

Payment Plans: Refined requirements around payment plans for individuals with incomes between 200-300% of FPL to require that institutions offer a payment plan that does not exceed a duration of 36 months with monthly payments no greater than 5% of monthly household income ("36 month/5% income plan"). The Institution may offer alternative payment plans that exceed 36 months, but the aggregate amount collected from the patient-inclusive of principal and interest-shall not exceed what would have been collected under the 36 month/5% income Plan.

Medical Debt Relief: Northern Regional Hospital will relieve all unpaid patient medical debt dating back to January 1, 2014, for North Carolina residents who are currently enrolled in Medicaid. Beginning July 1, 2025, and thereafter, Northern Regional Hospital will evaluate all patients who are NC residents and enrolled in Medicaid for past medical debt within 60 days of the patient's inpatient or outpatient encounter and must reclassify any past debt as charity care. This debt relief does not include charges relating to professional services.