

RANDOLPH HEALTH POLICY

Title:	Medical Debt Mitigation
Policy:	PA-009
Scope:	Hospital-Wide
Current Effective Date:	January 1, 2025
Last Review Date:	September 24, 2025
Original Policy Date:	December 11, 2024
Prepared by:	Director of Patient Financial Services, Donna Parsons
Approved by:	CEO, Timothy Ford

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.

IMPLEMENTATION:

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:
 - a. Non-Emergency Department services will be notified prior to discharge.
 - b. 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 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. Patients will be informed within 30 days of debt relieved and reclassified as charity.

Implementation effective January 1, 2026

C. 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 June 30, 2026

D. 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.

E. Collection Practices

Effective January 1, 2025

1. 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. 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)

Effective July 1, 2025

1. Randolph Health does not currently charge interest on patient debt will not charge a percentage to exceed 3% going forward.
2. Randolph Health does not currently sell patient medical debt but **effective July 1, 2025**; 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 3rd parties prior to 120 days after the first bill sent to the patient.
 - b. Debt will not be sold to 3rd parties with income levels at 300% or less of FPL except for the purpose of relieving debt.
 - c. Randolph Health may use 3rd parties to manage debt collection activities, but RH will maintain ownership of the debt and the contacted collection entities must comply with all requirements applicable to RH as described within this policy.
 - d. Any debt sold to a 3rd party collector will have interest rates capped at the

Secured Overnight Financing Rate SOFR) plus 1 percentage point.

3. Neither Randolph Health nor its collection partners may take any of 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.
4. 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.
5. Randolph Health, including any of its collection partners, will provide patients with 30 days' notice of any extraordinary collection actions. Any Extraordinary debt collection actions will be reversed if the patient is later found to be eligible for financial assistance.
6. Randolph Health, or its contracted collection agencies, will not report patient debt to credit reporting agencies. Any previously reported debt will be taken back from the reporting agency if the debt is later forgiven.
7. No individual, except spouses, will be held liable for medical debt owned by Randolph Health or sold to 3rd parties of any other person age 18 or older. However, individuals may request to voluntarily assume debt. Spouses held responsible for a patient's medical debt will be eligible for the same medical debt mitigation policies that are offered to the patient.
8. Randolph Health, or its contracted collectors, will not initiate legal action against a patient for any claim when an insurance review or appeal is pending within the previous 60 days. No debts will be referred to external debt collectors by Randolph Health or one of its collectors if an insurance review or appeal was pending within the previous 60 days.

RESPONSIBILITY FOR INTERPRETATION

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

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Special Approval

Signature

Date

None
