

SUBJECT: BILLING & COLLECTIONS POLICY	REFERENCE # 16.0022
DEPARTMENT: REVENUE CYCLE	PAGE: 1 OF: 5
APPROVED BY: STEPHEN BROWN	EFFECTIVE: 01/14/2015
	REVISED: 07/01/2024

PURPOSE

To appropriately bill and collect for medical services provided to patients in a timely and efficient manner.

DEFINITIONS

- **Accounts Receivable (A/R)**-any amount owed to Grace Cottage Hospital as a result of providing health care services.
- **Bad Debt (BD)**-account determined to be uncollectible after exhausting the available collection methods.
- **Acting Agent**- a 3rd party vendor who has been contracted to work as if GCH staff.
- **Payment Plan**-an understanding between the GCH/GCFH/Acting Agent and the patient/guarantor that outlines a scheduled (weekly, bi-weekly, monthly, etc.), specific amount to be paid on an account over time.
- **Revenue Cycle (RC)**
- **Grace Cottage Hospital/ Grace Cottage Family Health (GCH/GCFH)**

POLICY

- GCH/GCFH shall collect payment on self-pay balances as expeditiously as possible
 - Any amount owed to GCH/GCFH is considered due when services are rendered.
 - Any amount is considered overdue if it remains unpaid 30 days after the first statement is issued.
- Adequate information concerning the age of the outstanding bills and claims is essential for proper overall control of A/R. Aging of balances due is based on the date of first billing.

PROCEDURE

GCH/GCFH/Acting Agent monitors the self-pay A/R to ensure timely and accurate payment by patients.

On a periodic basis, no less frequently than monthly, GCH/GCFH/Acting Agent generates a report of all accounts that have not been paid in full. The follow-up is prioritized by the number of outstanding days (i.e. follow up begins with the oldest accounts). However, other criteria for prioritization are considered, such as invoice amount (i.e. greater priority to high dollar accounts), financial status (i.e. self-pay accounts should be ongoing from 30 days, whereas third party {insurance} claims can take longer than 30 days for the first payment). Financial Assistance recipients (patients who are granted Financial Assistance status that only owe a portion of account balance) to ensure they do not forfeit their status by not making payments on account. The Revenue Cycle (RC) is responsible for assuring that any patient with insurance has had appropriate insurance payments applied and that the remaining balance is moved to a self-pay status.

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Acting Agent will oversee and maintain patient balances by means of issuing subsequent billings with escalating dunning messages alerting to past due balances and potential collection efforts, placing calls to patient/guarantor, offering and mailing a Financial Assistance Policy and Application, and arranging/monitoring of patient payment plans in accordance with GCH/GCFH Collections Policy. All means put forth by acting agent is to resolve patient balances in a timely manner allowing GCH/GCFH to continue to provide passionate care and be reimbursed for services rendered. If no resolution of the self-pay balance is reached in accordance with terms defined in the Bad Debt Placement Policy, the account will be forwarded to a third-party collections agency for further collection efforts.

PATIENT ACCOUNTS

The following milestones provide necessary and appropriate measures to address delinquencies on balances due from the patient: For accounts between the date of the first statement and up to 120 days past due the patients/guarantors may be contacted by means of telephone calls and/or letters to resolve balances owed. Resolution may be met by payment in full, set up and fulfillment of a payment plan, and/or completion of a Financial Assistance Application. Once a decision is granted on the Financial Assistance Application and appropriate adjustments are made on account, the patient/guarantor must either pay any remaining balance in full or set up and fulfill an acceptable payment plan to resolve the balance owed.

- At discharge or immediately after third party payment
 - First Billing-billing statement is sent to the patient/guarantor.
- Accounts 30 days past due
 - Second Billing-billing statement is sent to the patient/guarantor with appropriate dunning message.
- Accounts 60 days past due
 - Third Billing-billing statement is sent to the patient/guarantor w/ appropriate dunning message.
- Accounts 90 days past due
 - Fourth Billing-billing statement is sent to patient/guarantor with appropriate dunning message.
- Accounts 120 days past due
 - Fifth Billing-billing statement is sent to patient/guarantor with final request for payment. If no resolution or payment plan is set up the balance/account will be removed from A/R and transferred to a collection’s agency for further collection actions.

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In all cases, the cycle for any accounts may be interrupted by one or more of the following:

- Receipt and verification of third-party insurance coverage.

The patient payment plan is agreed to and followed by the patient / guarantor.

- Financial Assistance Application is pending, an account will be held for 30 days for completion of application.

SELF-PAY AFTER INSURANCE PAYMENT OR DENIAL

- Once the claim has been processed by the insurance, a statement cycle will begin. The statement will show the charges, credits, and payments that apply, resulting in the self-pay balance.
- The account will then proceed through the outlined self-pay cycle above.

THIRD PARTY BALANCES (INSURANCE BALANCES)

The following provide measures to address delinquencies on balances due from Third Parties (insurance companies).

- The Revenue Cycle office continually monitors the third-party balances due on accounts.
 - Daily, the RC staff reviews the remittance advices/payments received from third parties and will initiate any communication needed to address nonpayment or incorrect payments
 - A monthly insurance aging report is produced by the Revenue Cycle Director and any balances greater than 60 days will be researched by the RC staff. Contact will be made with the third party to determine payment status. Any claim issues recognized will be addressed at that point and the claim resubmitted immediately so as not to further postpone payment.
 - All communication with third parties will be documented in patient’s electronic record

FINANCIAL ASSISTANCE ELIGIBLE ACCOUNTS

The following provides measures to address delinquencies on balances due from eligible patients

- GCH/GCFH offers Financial Assistance to eligible patients and their families. (see Financial Assistance Policy)
 - Patients eligible for Financial Assistances less than 100% will be required to pay the remaining balance in full or set up a payment plan to resolve the balance. The payment plan shall not require the patient to make monthly payments that exceed five percent of the patient’s gross monthly household income. Balances not paid in full will receive billing statements monthly and will have the appropriate dunning message based on payment or nonpayment as agreed upon.
 - Financial Assistance eligible patients are informed when awarded with a Financial Assistance that failure to make payments on the remaining balance after the reduction will result in the loss of their eligibility for financial assistance.

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- Neither GCH/GCFH nor its agents shall pursue collection actions against patients for amounts qualifying them for financial assistance. However, any balance remaining after discount that goes unpaid will cause forfeiture of the original financial assistance approval and GCH/GCFH/Acting Agent will pursue collection of the full amount of charges.

Financial Assistance Accounts that fail to adhere to payment plan as agreed upon:

- A Financial Assistance Account within a payment plan noted to be 10-15 days past due will receive a courtesy call from the Acting Agent notifying the patient/guarantor of missed payment on account.
- A Financial Assistance Account within a payment plan noted to be 30 days past due will receive a second phone call from Acting Agent requesting payment from the patient/guarantor and an additional statement with a delinquent notice will be mailed. The patient/guarantor will have 15 days from the date of this notice to resolve the delinquent balance or the payment plan agreement and Financial Assistance eligibility (see Financial Assistance/Free Care Policy) will become void. The balance/account will have all Financial Assistance adjustments reversed; the amount on balance/account after Financial Assistance adjustments are reversed will be removed from A/R and will be placed with collections agency for further collection actions.

Payment Plans (exclude approved financial assistance payment plans)

- **Any account where there the account will not be paid in full in a 6month period must be approved by the Director of Revenue Cycle or CFO**
- Any patient indicating that they are unable to meet the monthly payment required as defined, will be required to complete a Financial Assistance Application and to submit all pertinent documentation for that application to be processed. Once a determination is made on the Financial Assistance Application and any, if granted, adjustments are made on account a payment plan based on the new balance will then be offered to the patient/guarantor.
- Any payment plan agreements made between GCH/GCFH/Acting Agent and patient/guarantor will be noted on account and will be printed in a promissory note. The patient/guarantor will be mailed two copies of the promissory note allowing one for their records and for the other to be signed and returned to GCH Attn Jocelyne Smith and will be kept on file as written documentation of agreed upon terms.

Failure to adhere to payment plan as agreed upon:

A payment plan account noted to be 30 days past due will receive a phone call from Acting Agent requesting payment from the patient/guarantor and an additional statement with a delinquent notice will be mailed. The patient/guarantor will have 15 days from the date of this notice to resolve the delinquent balance or the payment plan agreement will become void, and the balance/account will be removed from A/R and placed with a collection's agency for further collection actions.

