



Policy: **Credit and Collection Policy for Self Pay Balances**
Approver: Director of Patient Accounting
Initiated: 10/31/12
Last Approval Date: 06/2014, 02/2016, 06/2016, 01/2017
Reference(s): NA
Responsible Departments: Patient Financial Services

1.0 **DEFINITIONS:** N/A

2.0 **POLICY:** It is the policy of the credit department to minimize the amount of patient accounts deemed uncollectable.

3.0 **RELATED POLICIES:** N/A

4.0 **PROCEDURE:** As outlined below, the following procedures have been implemented to reduce the hospitals bad debt exposure:

A- The collection of copays and deductibles is an “upfront” effort. Copays and deductibles will be identified by the Financial Investigation Unit on all scheduled inpatient and “high” dollar outpatient claims. These amounts will then be collected by Patient Access upon registration. Additionally, patients presenting to the Emergency Room will be asked for their co-payment after treatment. Self pay Emergency Room patients will be contacted by the Financial Counselors to assist with the Medicaid process or charity care assistance.

B-Patients who have been identified as uninsured are evaluated for Medicaid as defined in the Medicaid application guidelines.

C- Patients who do not qualify for Medicaid coverage are contacted for payment arrangements. Elective procedures require full payment of 150% of the Medicare rate plus 9.63% of the NYS Surcharge at the time of service. A minimum amount for a patient to pay is half of this amount at the time of service with the remaining balance due within 10 days. Should the patient not pay in full for the elective procedure within 10 days, they will be billed full charges plus 9.63% of the NYS Surcharge. This is communicated to Patient Access by Patient Financial Services and these amounts will then be collected by the Patient Access upon registration.

D- A collection process supporting the guidelines of the Medicare Bad Debt Ruling (Medicare Reimbursement Manual Part I HCFA Pub. 15-1) stating that patient accounts are not deemed uncollectible until 120 days have elapsed. This flow is detailed below:

**120 DAY SELF PAY COLLECTION PROCESS FOR SELF PAY BALANCES
(WHERE ACCOUNT IS SELF PAY OR SELF PAY AFTER IN NETWORK
INSURANCE COMPANIES)**

1- After a hold period, a bill is dropped to the guarantor itemizing charges incurred during their visit at the Broadway Campus, Mary’s Ave Campus or Margaretville Hospital.

- 2- The account is then placed with an outside billing agency(e-Management) for self pay billing and follow-up. This is to enable direct contact with the patients via telephone for appropriate balances and a patient friendly bill.
- 3- Upon receipt of the account, e-Management will send a patient statement for hospital services within 2 working days.
- 4- On the 30th day e-Management will send a second patient statement detailing the status of the account to the guarantor of record on the account.
- 5- On the 45th day e-Management will include the account in the evening telephone campaigns and attempt to contact the guarantor at the telephone number provided in an attempt to arrange payments for all balances owed by the guarantor.
- 6- On the 60th day a third patient statement will be sent.
- 7- On the 75th day, e-Management will include the account in the evening telephone campaigns and attempt to contact the guarantor at the telephone number provided in an attempt to arrange payments for all balances owed by the guarantor.
- 8- If on the 90th day the patient has made no attempt to pay the claim or set up a repayment schedule, a final patient statement will be sent.
- 9- On the 120th day, e-Management will advise the hospital of any accounts where attempts to obtain payment or set the guarantor up on a repayment schedule were unsuccessful. These accounts will be placed with an outside collection agency.
- 10- In instances where either the hospital or e-Management, are successful in setting up the guarantor on a “time –repayment schedule” , e-Management will continue to send monthly statements to the guarantor until the claim is either paid in full or cancelled by the hospital.. In instances where the guarantor is delinquent in their time payment arrangement, E-Management will contact the guarantor to make them aware of the default, and advise the hospital of the outcome. Patients who do not maintain the agreed upon “time payment” schedule will be referred to an outside collection agency. We refer our accounts to either the Collection Bureau of the Hudson Valley or to POM Collection Agency. In some cases non-insured patients that do not qualify for Medicaid qualify for charity care. In those instances the Credit and Collection Department will follow the guidelines as set forth in the Charity Care policy found in the Patient Financial Services Department Manual.
- 11- Collection agencies must obtain written consent from Health Alliance prior to commencing legal action

EFFECTIVE JUNE 1, 2016

For our out of network payers, HealthAlliance hospitals have engaged an outside agency to assist with the collection of these accounts. The out of network claims will be billed to the insurance company and the account will be transferred to the outside agency to support collection efforts. The account will remain active in the accounts receivable system. At day 70, the outside agency will place the account in a collection status which will result in increased efforts supporting collection. This will also cause the account being removed from the accounts receivable and moved to a bad debt status.

5.0 DOCUMENTATION: N/A

6.0 FORMS: N/A

Key words: Not Set
