

UPPER CHESAPEAKE HEALTH HOSPITALS

Patient Financial Services Department Policy Manual

TITLE: SELF PAY BILLING

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Approved by: _____

Joseph E. Hoffman, Executive VP and CFO

Board of Directors

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Next Scheduled Review Date: 10/18

Related JCAHO Functional Area Chapters:

PURPOSE: To establish a consistent process for billing Self Pay balances.

POLICY: It is the policy of the Upper Chesapeake Health hospitals (Upper Chesapeake Medical Center and Harford Memorial Hospital UCMC/HMH) to attempt to collect payment for all services rendered to patients in the most efficient and patient friendly manner. UCMC/HMH will first attempt to collect payment from the patient's insurance company. In the event the patient has no insurance or limited insurance coverage, UCMC/HMH will attempt to qualify the patient for the Maryland Medical Assistance program and/or Upper Chesapeake Health's financial assistance program. Patients will always be treated fairly and with dignity when UCH attempts to collect outstanding balances. Patients who are left with a balance after all insurances have been pursued and financial assistance has been offered will be forwarded to a collection agency as a last resort to obtain payment from the patient.

PROCEDURE:

A. Early-out Billing Process

1. Two agencies are employed by Upper Chesapeake Health; each receiving approximately fifty percent of the accounts (based on the first letter of the last name of each guarantor). The early-out vendor is not a "collection agency" and has been selected to act as an extension of the Patient Financial Services office.
2. All self-pay balances, including co-pays and deductibles, will be first referred to our early-out vendor. The early-out vendor will facilitate the negotiation of self-pay no-interest payment arrangements through a series of letters and phone calls.
1. After the initial placement with the vendor, an initial notice will be sent to the guarantor providing options for resolution.

- a. The guarantor will be notified to contact the vendor directly between the hours of 8:00am to 8:00pm, local time, Monday through Thursday and 8:00am to 4:30pm on Friday for questions
 - b. Payment options are as follows:
 - i. Cash payments made directly at the cashier's office located in the lobby of Upper Chesapeake Medical Center and Harford Memorial Hospital
 - ii. Checks mailed to a lockbox address
 - iii. Checks by phone
 - iv. Credit cards—Visa, MasterCard, American Express and Discover
 - v. Payment online to Upper Chesapeake's website
 - vi. Financial Assistance—please see the **FINANCIAL ASSISTANCE POLICY**
 - c. If the guarantor is unable to pay the balance in full, an attempt will be made to have the balance resolved within three (3) to six (6) months.
 - d. The minimum payment guidelines require the account balance to be paid in full within twelve (12) months with a minimum payment of fifty dollars (\$50.00).
 - e. There is an exception to the minimum payment guidelines listed in 3. d., which would apply to Cancer Center patients only at this time:
 - i. Balances up to \$3,000 would be paid in full within twelve (12) months with a minimum payment of \$50.00 per month
 - ii. Balances from \$3,000 to \$10,000 would be paid within three (3) years
 - iii. Balances greater than \$10,000 would be handled on a case by case basis

NOTE: Cancer care for non-citizens/non-residents of the United States will not be initiated unless either presumptive Medical Assistance has been granted and approved per the Financial Assistance policy, or the patient pays 50% of the projected charges for his or her expected treatment plan and sets up an acceptable payment plan for the remaining 50%.
 - f. UCH Patient Financial Services Director may approve a payment arrangement lower than the minimum guidelines if there are extenuating circumstances
 - g. If insurance information is obtained timely, the early-out vendor will transfer the account to their insurance department. A representative will generate the appropriate claims and submit them to the insurance company. There are the following exceptions where the insurance information will be returned to Upper Chesapeake Health for billing
 - i. Medicare
 - ii. Medical Assistance for inpatient claims
 - iii. Out of state Medical Assistance
 - iv. Motor Vehicle claims being handled by Bloom and Associates
 - v. Worker's Comp claims being handled by Bloom and Associates
 - h. After a bankruptcy notification is received, the account is closed by the early-out vendor and returned to Upper Chesapeake Health pending the outcome of the bankruptcy hearing
2. If a valid address and/or phone number is listed, a total of three (3) letters and three (3) phone attempts will be made on accounts that have not been paid in full or where an approved payment arrangement has not been made

- a. Day 15 to 30—one (1) telephone campaign will be made to offer the guarantor the opportunity to pay in full or to establish a payment plan as outlined in 3d above.
 - b. Day 68 to 80—If the Self Pay account has not been paid in full or has not been set up on an approved payment plan, the early-out vendor will recommend that the that the account be placed with a collection agency
3. If a patient has multiple accounts placed with the agency, telephone calls will only be made on the primary (seed) account.
4. Accounts maintained under an approved payment arrangement will receive a monthly statement prior to the payment plan due date
5. If the guarantor establishes an acceptable payment plan within UCH's guidelines, but discontinues payment, the following standards will apply:
 - a. Payment due date has passed – the vendor will conduct a phone campaign to remind the guarantor that payment is past due
 - b. Payment due date has passed and a phone call has been attempted – the guarantor will receive a follow up notice advising that a payment has not been received
 - c. Payment due date plus thirty (30) days—if no payment is received, the vendor will recommend that the account be placed with a collection agency
6. On a weekly basis, the early-out vendor adds the accounts that are to be considered for placement with a collection agency to a Bad Debt Transfer List
 - a. The Computer Specialist will transfer the approved accounts to a Bad Debt status in the computer system
 - b. The Computer Specialist will send an electronic file to the appropriate collection agency of the accounts that have been approved for transfer to a Bad Debt status
7. The early-out vendor follows all rules and guidelines for Health Insurance Portability and Accountability Act (HIPAA) as outlined in their Business Associate agreement. They also follow all rules and regulations of the Fair Debt Collection Practices Act (FDCPA).

B. Collection Agencies

1. Two agencies are employed by Upper Chesapeake Health; each receiving approximately fifty percent of the accounts (based on the first letter of the last name of each guarantor). Accounts placed with one of the Collection Agencies are classified as Bad Debts and removed from accounts receivable.
2. After the initial placement with a collection agency, an initial notice will be sent to the guarantor advising that the agency has been contracted to manage the account and the notice will provide the guarantor with options for resolution.
 - a. The guarantor will be notified to contact the agency directly
 - b. Payment options are as follows:
 - i. Cash payments made directly at the cashier's office located in the lobby of Upper Chesapeake Medical Center and Harford Memorial Hospital
 - ii. Checks by phone
 - iii. Post-dated checks
 - iv. Credit cards—Visa, MasterCard, American Express and Discover
 - v. Payments online at Upper Chesapeake's website
 - c. Payment arrangements without interest are based on the guarantor's ability to pay. The account is scored and the guarantor's credit history is reviewed to determine their ability to pay in full.

- d. If the guarantor is unable to pay the balance in full, an attempt will be made to have the balance resolved within three (3) months.
- e. If the account balance is not resolved within three (3) months, negotiations will resume to resolve the account balance.
- f. UCH Patient Financial Services Director may approve a no interest payment arrangement lower than the minimum guidelines if there are extenuating circumstance
- g. If insurance information is obtained timely, the agency will transfer the account to their insurance department. A representative will generate the appropriate claims and submit them to the insurance company. There are the following exceptions where the insurance information will be returned to Upper Chesapeake Health for billing:
 - i. Medicare
 - ii. Medical Assistance for inpatient claims
 - iii. Out of state Medical Assistance
 - iv. Motor Vehicle claims being handled by Bloom and Associates
 - v. Worker's Comp claims being handled by Bloom and Associates
- h. After a bankruptcy notification is received:
 - i. Chapter 7 Bankruptcy—the account is closed by the agency and returned to Upper Chesapeake Health pending the outcome of the bankruptcy hearing.
 - ii. Chapter 13 Bankruptcy—the account is closed by the agency and returned to Upper Chesapeake Health pending the outcome of the bankruptcy hearing
- 3. If the guarantor has not paid the Self Pay account balance in full or set up an acceptable payment arrangement,
 - a. Day 31 through day 91—a notice will be sent to the guarantor offering options for resolution of the balance due
 - b. Day 180 from bad debt placement—account is referred to a Second Effort unit for follow up
 - c. Skip tracing will be done for those accounts with an incorrect phone number
- 4. If the guarantor establishes an acceptable payment plan within UCH's guidelines, but discontinues payment, the account will follow the standards outlined in number 3a through 3c above
- 5. The agencies follow all rules and guidelines for Health Insurance Portability and Accountability Act (HIPAA) and the Fair Debt Collection Practices Act (FDCPA)
- 6. Under no circumstances will the Collection Agencies report to the Credit Bureau

C. Legal Action

In rare cases, accounts may warrant Extraordinary Collection Actions (ECAs). Once an account has met the following criteria, the account is closed by the collection agency as “uncollectible” and forwarded back to Patient Financial Services for review to establish grounds for legal action. UCH reserves the right to place a lien on a patient's income, residence and/or automobile. This only occurs after all efforts to resolve the debt have been exhausted.

Criteria:

- a. The debt is valid
- b. The account is equal to or greater than 120 days old
- c. Patient refuses to acknowledge the debt
- d. Upon review and investigation, we have determined liquid assets are available (Checking, savings, stocks, bonds or money market accounts)

e. The VP of Finance must authorize legal action

Action will be preceded by notice 30 days prior to commencement. Availability of financial assistance will be communicated to the patient and a presumptive eligibility review will occur prior to any action being taken.

D. Compliance

Any vendor selected to pursue self pay balances on behalf of Upper Chesapeake Health agrees to abide by all parameters set out in this policy. If a future vendor is unable to comply with any aspect of the policy, Upper Chesapeake will not do business with it. If a current vendor is unable to comply with any aspect of the policy, our agreement with that vendor will terminate within 30 days of written notice.

E. Audit

Each vendor agrees to allow Upper Chesapeake Health to audit their billing and compliance procedures. A random patient audit would be done to confirm adherence to established collection policy.

F. Vendor Acknowledgement

Vendor will send a letter to the Director of the Patient Financial Services Department at Upper Chesapeake Health agreeing to abide by the Upper Chesapeake Patient Financial Services Department Policy for Self Pay Billing. A copy of the acknowledgement letter will go to the legal department.