

Business Office Policy & Procedure	Implemented: 05/01/2010
Title: Debt Collection	Revised: 03/13/2019 Reviewed: 12/11/2018 Responsibility: Financial Counselors
	Reference: HSC 127425.b

POLICY:

It is the Policy of Fairchild Medical Center to follow a standard debt collection process that is in compliance with federal and state laws protecting our patients.

Patient accounts are due within 30 days of billing, and in no case will an account be placed to an outside collection agency for further collection activity and credit reporting before 150 days from time of billing.

Fairchild Medical Center will at all times have at least one collection agency that is under written contract with the hospital. Any collection agency under contract with the hospital must follow hospital standards and scope of practice. (HSC 127425.b).

GUIDELINES:

1. When placing a phone call to a debtor, always identify yourself by your first name and explain that you are calling from Fairchild Medical Center. Calls are to be placed between the hours of 8AM and 9PM only, according to the individual's time zone.
2. Do not discuss the debt with anyone other than the responsible party. However, a message may be left on an answering machine or voice mail if it is verified that you have reached the correct party. This can be determined if the machine message verifies the individual's name. If the answering machine or voice mail does not identify the patient clearly, leave only a message giving your name, phone number, and that you are calling from Fairchild Medical Center. Your message must not give any information other than that is very important that they call "your name" at Fairchild Medical Center and leave the number at which you can be reached. Do not leave any message regarding collection activity or any other type of threat.
3. If unable to contact patient, or leave a message, patient's employer, may be contacted once, but only to verify employment. Do not discuss the debt with the employer.
4. Do not place collect phone calls to any individual.
5. If you have called the responsible party at their place of work and they request that you do not call them at work in the future, document this in the notes and do not contact them at work again.
6. Do not use threatening or intimidating language or make any kind of false statements. Do not use obscene or profane language.
7. If payment is received on the account timely, the account will stay in current status. If no payment is received after 30 days that account will go into stage 2 with the message that

payment had not been received. Account will remain in stage 2 for 30 days. Stage 3 will notify debtor that account is overdue and will remain in stage 3 for 30 days. Stage 4 will notify debtor that account is past due and an additional summary of patient rights under the Fair Debt Collection Practices Act will be included. Account will remain in stage 4 for 30 days. If no payment on account, or no payment arrangement has been made in that 30 days, account will progress to stage 5 which is the "Ten Day Notice of Intent" to initiate collections action. The summary of patient rights under the Fair Debt Collection Practices Act will be included with this final bill. The summary of patient rights will read as follows:

State and federal law require debt collectors to treat you fairly and prohibit debt collectors from making false statements or threats of violence, using obscene or profane language, and making improper communications with third parties, including your employer. Except under unusual circumstances, debt collectors may not contact you before 8:00 am or after 9:00 pm. In general, a debt collector may not give information about your debt to another person, other than your attorney or spouse. A debt collector may contact another person to confirm your location or to enforce a judgment. For more information about debt collection activities, you may contact the FTC by telephone at 877-FTC-HELP (382-4357) or online at www.ftc.gov. The FTC enforces the federal act.

- a. Once the responsible party has received a statement for all five stages, along with the summary of patient rights under the Fair Debt Collection Practices Act, and still no attempt has been made to make payment or contact with FMC established, the account will be turned over to the collection service only after being reviewed by the Business Office Manager, Chief Financial Officer, Assistant Administrator and Chief Executive Officer. The CEO has the ultimate authority to send accounts to collections per (Health and Safety Code Section 12745.a). Accounts greater than \$2500 will be handled in the same manner with the exception that at least two attempts will be made to contact the responsible party. No account will be turned over to the collection service prior to 150 days after initial billing for anyone who lacks coverage or has high medical costs. Neither will an account be sent for collections if the responsible party is attempting to qualify for charity or discount payment plan and is attempting a good faith effort to settle by negotiating a payment plan or making regular partial payment of a reasonable amount.
- b. The Financial Counselor has the latitude to offer up to a 10% discount on the outstanding balance if they feel payment can be obtained by offering the discount. Any discounts greater than 10% are to be discussed with the Business Office Manager prior to making agreement with the responsible party.
- c. The first preference with an outstanding private pay account is payment in full within thirty days. The second would be to reach an agreement with the responsible party in which regular, monthly, payments will be made. Regular monthly payments will allow all monthly finance charges on the account to be waived.
- d. The Financial Counselor will determine the responsible party's ability to pay with the option of writing the account off to charity if it is determined that the responsible party, in fact, is unable to pay the account. Partial Charity applications and documentation will be submitted to the CFO for approval. Once the partial charity has been processed and approved, the Financial Counselor will attempt to arrange a payment plan with the responsible party. (See Charity Write-Off Procedure.)

- e. Once partial charity has been granted and an extended payment plan has been reached, the hospital may declare the extended payment plan inoperative if the responsible party fails to make all consecutive payments due during a 90 day period. Prior to declaring an extended payment plan inoperative, the hospital will:
 - 1) Attempt to contact the responsible party by telephone,
 - 2) Give written notice via certified mail that the plan may become inoperative, and,
 - 3) Inform the patient of the opportunity to renegotiate the payment plan, and attempt to do so if requested by the responsible party. Until the plan is declared inoperative, no report may be made to a consumer credit reporting agency and no civil action may commence. The notice and phone call may be made to the last known phone number and address of the patient. (Health and Safety Code Section 127425 (g)).

PROCEDURE:

1. Once the account has been identified as a private/self-pay account, the account will be worked as follows:
2. Verify patient account is a true private/self-pay, utilize HDX stand-alone system. (SSN must be available from Soarian Financials or other system in order to verify insurance with HDX.)

Soarian Financials: Accounts will automatically stage from dunning level 1 through 5. Guarantors are split on each dunning level by alphabet.

[FM Guar DL 1 A - G](#)

[FM Guar DL 1 H - O](#)

[FM Guar DL 1 P - Z](#)

[FM Guar DL 2 A - G](#)

[FM Guar DL 2 H - O](#)

[FM Guar DL 2 P - Z](#)

[FM Guar DL 3 A - G](#)

[FM Guar DL 3 H - O](#)

[FM Guar DL 3 P - Z](#)

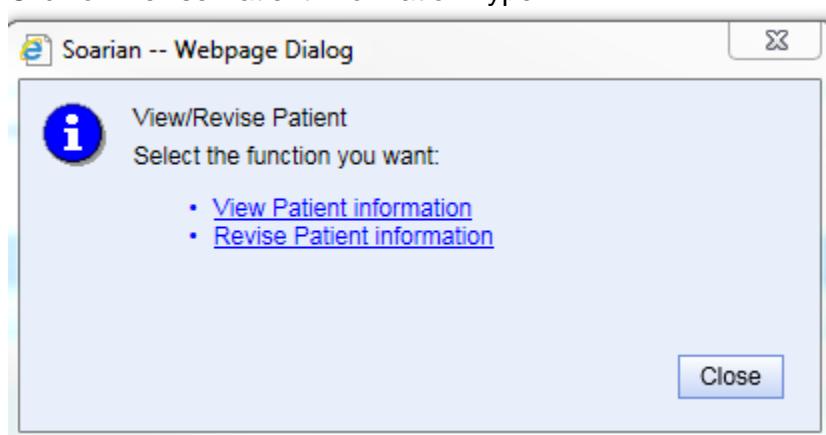
3. Financial counselor starts collection process at dunning level 2, by opening guarantor list
4. List is sorted in alphabetical order for tracking purposes.

5. Click on Reason or Receivable Group ID to open patient account.



Guarantor Name	BP#	BP Start Date	BP Stop Date	Overdue Bal	Credit Bal Amt	Credit Bal Date	RFBP Bal Amt	Due/Qualify	Reason
	1	10/09/2018	10/09/2018	4,161.59	0.00		4,161.59	11/30/2018	Overdue Guar RFBP (SYSTEM)
Reshow Transfer Follow Up History									
Account									
Account ID: 12009 Account Type Name: FMC Default GAT Account Level: Patient Account Dunning Level: 2 Guar. Billing & Collection Profile: FMC Guar B&C Profile Account UFC: Responsible Business Office: FMC RBO Receivable Group ID: 100531 Receivable Group Desc: OP FM Emergency Dept									
Billing									
Last Bill Type / ID: Statement / 1743343 Last Bill Amount: 5,529.63 Last Bill Date: 11/30/2018 Last Payment Amount: Last Payment Date: Receivable(s) in Pmt. Agreement: N Receivable(s) at SBO: N Receivable(s) on Prelist to BD: N									

6. Verify that patient payment has not been received on account (highlight billing period and patient name.)
7. If no payment received on visit, click on patient financials tab.
8. Review all accounts, starting with oldest balance. Each account will need to be looked at individually for payment.
9. If no payment found in Soarian Financials, go to AS400/I5 and NextGen to verify if any payments have been made on patient account.
10. If no payment have been made, click on patient name (upper left hand corner of Soarian Financials screen).
11. Click on Revise Patient information hyperlink.



12. Go to the Relationships tab, click on tab

Patient Demographics

Name	Address & Telephones	Personal Information	Care Providers	Clinical History	Patient Documentation	Relationships	Additional Data
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13. Review patient demographics for spousal information, verify payments are not being made on a spouse's account in all systems.

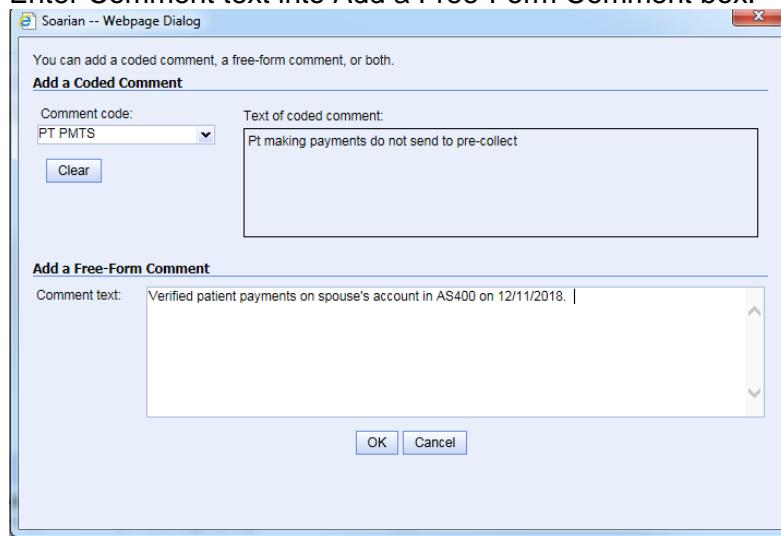
14. If spouse's account is receiving a payment, the patient account is not eligible for collection (either spouse).

15. Return to patient Receivable Group.

16. Go to RG Actions, click on drop down box and select "Add Comment".

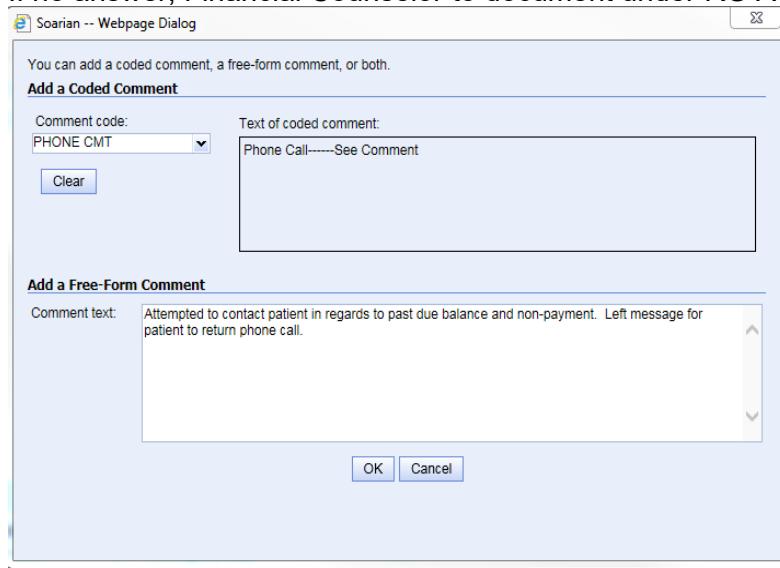
17. Select "PT PMTS"

18. Enter Comment text into Add a Free-Form Comment box.



19. If no patient payment is located, attempt to contact patient via phone call.

20. If no answer, Financial Counselor to document under RG Actions, “Add Comment”.

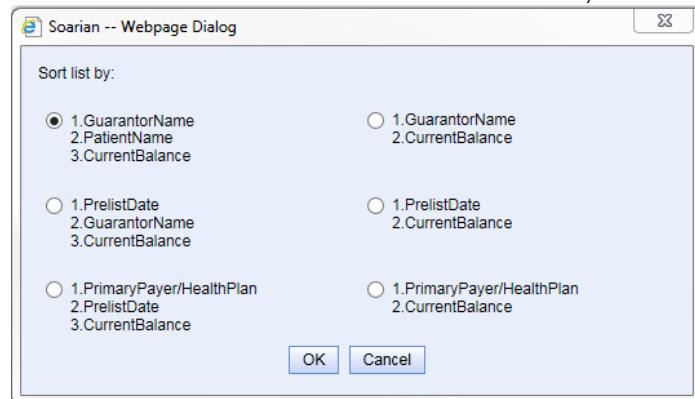


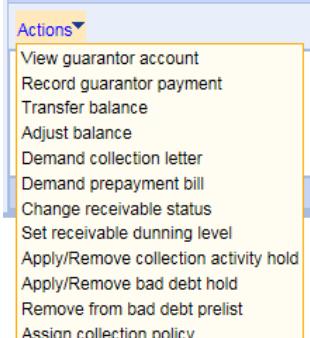
When account reaches dunning level 5, patient will receive final statement, patient will then be added to the Prelist to Bad Debt Worklist. The prelist to bad debt worklist is under “Standard Worklist” in Soarian Financials.

Standard Worklists

- [Missing Guarantor Information Worklist](#)
- [Missing or Incomplete MSPQ Worklist](#)
- [Missing Patient Information Worklist](#)
- [Orphan PAT Encounters Worklist](#)
- [Patient Access Inbound Transaction Errors Worklist](#)
- [Payer Adjustment Error Worklist](#)
- [Pending Refund Request Worklist](#)
- [Positive Balance Unallocated Payment Worklist](#)
- [Potential Duplicate Persons Worklist](#)
- [**Prelist To Bad Debt Worklist**](#)

21. Click on Prelist to Bad Debt Worklist, and a new drop down box will open.



22. Sort list by “GuarantorName”
23. Click on Ok
24. Click on guarantor name under “Guarantor”
25. Verify that there are no payments posted.
26. Go to RG Details tab, go to RG Actions, click on View Follow Up history button and verify if account has been worked
27. Verify patient account is a true private/self-pay, utilize HDX stand-alone system. (SSN must be available from Soarian Financials or other system in order to verify insurance with HDX.)
28. If patient has no other insurance repeat steps 6 through 19.
29. If patient payment is located, account needs to be placed on Collections Hold and removed from Pre-List.
30. Click on Receivables Tab
31. Under Bill Period, select Patient Receivable Tab, click on Actions tab, select Remove from bad debt prelist. Patient will be removed from bad debt prelist.

 - Actions▼
 - View guarantor account
 - Record guarantor payment
 - Transfer balance
 - Adjust balance
 - Demand collection letter
 - Demand prepayment bill
 - Change receivable status
 - Set receivable dunning level
 - Apply/Remove collection activity hold
 - Apply/Remove bad debt hold
 - Remove from bad debt prelist
 - Assign collection policy
32. Return to RG Details
33. Click on RG Actions
34. Select Add Comment
35. Enter comment in drop down box.
36. Click on Ok button

NextGen

1. Go to Account Look Up in NextGen
2. Enter Patient last name and first name, click on ok button
3. Go to Encounter Details, look at patient self-pay balance
4. Go to the Acct Summary tab next to verify if any payments have been made on account
5. If no payment on account, check AS400/I5 and Soarian Financials for any payments on account
6. Return to Encounter Details
7. Double click on patient name, this opens all encounters for patient
8. Right click on open field, drop down box will open
9. Click on pre-list, click on open
10. If account will reach 150 days by the 30th/31st of the month, account to be listed for collection

11. To list account for collection, click on drop down box for Collection Agency

The screenshot shows the 'Pre-List Options' window in NextGen. At the top, there are four dropdown menus labeled 'Collection Agency', 'Effective Date', 'Guar Credit Rating', and 'Bad Debt Status'. Below these is a section titled 'Select encounters for Bad Debt Prelist'. A table lists five encounters with columns for Encounter ID, Date, Patient Name, Insurance 1, Insurance 2, Insurance 3, Self-Pay, Patient Responsibility, Age, Statement Date, Age at Statement, and Payment Counter. The fifth encounter, 1106201, has a blue square highlighted in the 'Eligible' column.

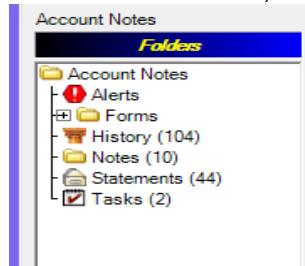
Encounter	Date	Patient Na	Ins 1	Ins 2	Ins 3	Self	Patient Res	Age	Statement L	Age	Statement Payment Counter
991812	06/06/2018		\$0.00	\$0.00	\$0.00	\$18.60	07/31/2018	134	07/31/2018	134	5
1091075	11/13/2018		\$383.00	\$0.00	\$0.00	\$0.00			11/14/2018	28	5
1100805	11/29/2018		\$363.00	\$0.00	\$0.00	\$0.00			12/03/2018	9	5
1106201	12/06/2018		\$186.00	\$0.00	\$0.00	\$0.00			12/07/2018	5	5

12. Select Northern Credit Service, enter Effective Date, and enter the 25th of the month. (NextGen populates the collection list on the 25th of the month.)
13. Select Eligible Box next to the encounter that is to go to collection

Pre-List Options										
Collection Agency	Effective Date	Guar Credit Rating	Bad Debt Status							
Northern Credit Service	12/25/2018									
Select encounters for Bad Debt Prelist										
	Encounter	Date	Patient Na	Ins 1	Ins 2	Ins 3	Self	Patient Res	Age	Statement L
<input checked="" type="checkbox"/>	991812	06/06/2018		\$0.00	\$0.00	\$0.00	\$18.60	07/31/2018	134	07/31/2018
<input type="checkbox"/>	1091075	11/13/2018		\$383.00	\$0.00	\$0.00	\$0.00		11/14/2018	28
<input type="checkbox"/>	1100805	11/29/2018		\$363.00	\$0.00	\$0.00	\$0.00		12/03/2018	9
<input type="checkbox"/>	1106201	12/06/2018		\$186.00	\$0.00	\$0.00	\$0.00		12/07/2018	5

14. Click ok

15. Go to Notes tab, click on Notes



16. Right click in open field, drop down box will open, select "New", Account Note will open

17. Enter note: Example

Subject
Telephone Call To Patient Re:Collections

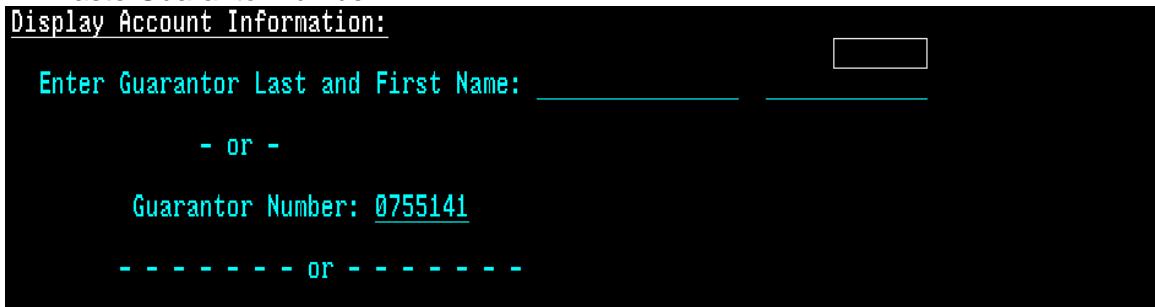
Note Entry
Attempted to contact patient regarding past due balance, left message, prelisting all eligible accounts pending patient action.]

18. Click on ok.

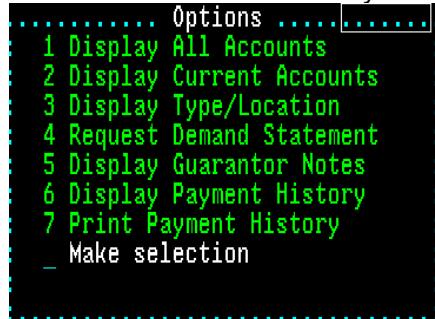
19. If payment has been made on account, no further action needs to be taken.

AS400/I5

1. Go to Display Patient Information
2. Enter Patient Last and First Name
3. Select Patient, select patient visit (any visit will do), copy guarantor number, F3
4. Paste Guarantor number



5. Click on the Ctrl button on your keyboard, F2, then 6 will display payment history



6. Verify if patient has made any recent payments, if there are current payments then no further action is required. If there are no current payments, contact patient.
7. F1 to leave payment history screen, select patient account to go to collection.
8. F2, then 4, to go to Guarantor Notes
9. F5, to enter notes, then Y to confirm, ctrl to enter
10. Enter note in system, ctrl to enter and exit notes

11. F1 to exit notes, F2, select 8 Change Visit Type

```
..... Options .....  
1 Change Patient Information  
2 Display Patient Notes  
3 Change Guarantor Information  
4 Display Guarantor Notes  
5 Change Insurance Information  
6 Display Flags  
7 Print Account Status  
8 Change Visit Type  
9 Additional Patient Information  
_ Make selection
```

12. Select option 3 to Change Liability Financial Class

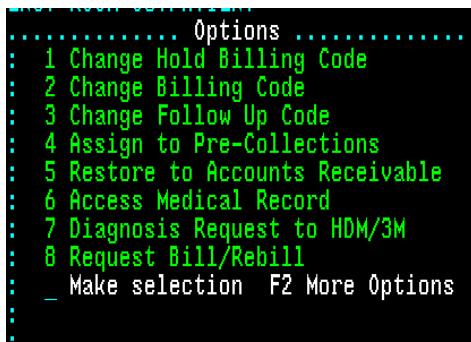
```
..... Change Visit Type .....  
1 Change Location Code  
2 Change Revenue Financial Class  
3 Change Liability Financial Class  
_ Make selection
```

13. Select 28 for Final Accts – Collections

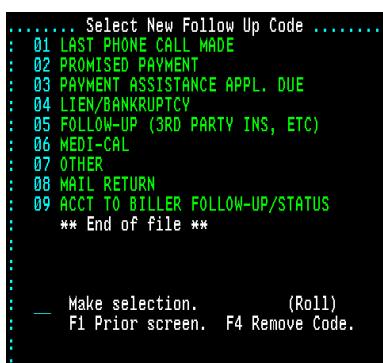
```
... Select New Liability Financial Class ...  
01 C.C.S.  
04 LETTER SERVICE  
10 LIENS  
16 PRIVATE PAV - W/O FIN CHG  
18 PATIENT REFUNDS  
27 PRIVATE PAV  
28 FINAL ACCTS-COLLECTIONS  
31 BLUE SHIELD  
37 CHARITY  
41 INSURANCE PENDING  
43 INSURANCE REFUNDS  
44 MEDI-CAL - S.O.C.  
  
_ Make selection. (Roll)  
_ F1 Prior screen. F4 Remove Code.
```

14. Click on Ctrl to go to next screen

15. Flick on F2, F2 again for more options, than option 3 to Change Follow Up Code

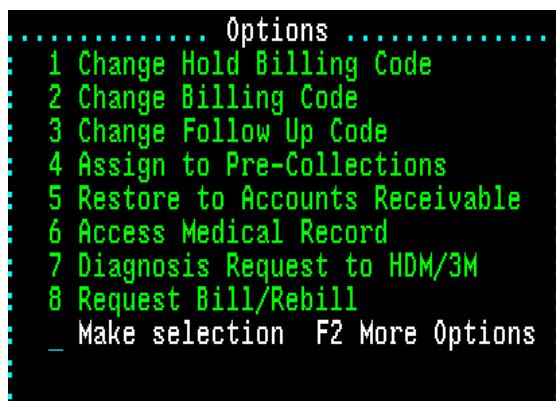


16. Choose option 01 for Last phone Call made, at this point you can also enter other follow up codes as needed



17. Click on your Ctrl key, drop down box will close and bring you back to Visit Information screen

18. To list account for collections, click on the F2 button twice, select option 4, Assign to Pre-Collections



19. Select 01 option for Northern Credit, then click on yes

20. Patient account is now prelisted for collection

Debt Collection