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Owner	Debbie Kramer: VP revenue Cycle Management Business Office
Area	
Applicability	~Acadia System- Wide Policies

Collections

1. SCOPE

Acadia Healthcare Co., Inc. (Acadia), including all subsidiaries, affiliates, facilities, and their personnel.

2. PURPOSE

To ensure that all collection activity pertaining to patients and third parties will be conducted timely as well as accurately.

3. POLICY

Acadia's Business Office Director (BOD) is responsible for the collection of the patient accounts and identifying/ resolving any obstacles in the collection process. Business Office staff shall actively pursue payment from third party payors on all outstanding account balances. Collection efforts will continue until an account balance is zero by means of payment or the appropriate

adjustment. All collection activity pertaining to patients and third parties will be conducted timely as well as accurately documented in the patient accounting system.

Patient debt will not be advanced for collection until the facility's Business Office has reviewed the account and approved the advancement of debt to collection. Before sending a bill to collections, the facility will provide a notice to patients. The notice will include the following information: the dates of service of the bill assigned to collections, instructions on how to obtain an itemized bill, the name and plan type of the patient's health insurance on file, application to the facility's charity care and financial assistance policy, and dates relating to when the patient was sent a notice about applying for financial assistance. The patient will also receive notice containing a summary of nonprofit credit counseling services and the patient's rights about fair treatment, including that patients cannot be contacted before 8:00 am or after 9:00 pm.

Once advanced for collections, the Business Office will be responsible for conducting collections activity. If the facility elects to utilize a collection agency, it will enter into a written agreement with the collection agency to ensure that the collection agency will adhere to the facility's standards and scope of practices.

The facility will not use information obtained from income tax returns, paystubs, or the monetary asset documentation collected for the purposes of determining discount or charity care eligibility for collection activities.

4. PROCEDURE

Accounts are assigned to the Business Office staff alphabetically by Financial Class (FC) or by formula. All Biller/Collectors are cross trained as backup for all payors when needed. Each Biller/Collector is required to work 35 to 45 accounts per day depending on the facility's payor mix and levels of care. All collection activity for all accounts should be clearly documented on the patient's account within the patient accounting system. This documentation should include, at a minimum, the following:

Collector's name

Date of Activity

Name and phone number of person contacted

Current status of the claim

Summary of actions, discussions, resolutions, due dates, etc.

Any check numbers and check dates, if applicable

Biller/Collectors should work all remittances and correspondence on a daily basis within 72 hours of receipt to ensure accounts are paid correctly. All contractual adjustments should be completed in accordance with the **Contractual and Patient Account Adjustments Policy**. All Administrative, Charity and Denial Adjustments should be completed and processed by the BOD in accordance with the **Administrative, Denial, and Charity Adjustments Policy**.

All denials are to be accounted for by logging and tracking them in the patient accounting system and in the Sharepoint Denial Log. All denials should be handled in accordance with the **Denial Review Policy**. Accounts in an appeal status shall have follow up no later than every twenty eight (28) days. Facilities may choose to use internal and/or external resources in appealing denials regardless of the level of appeal.

Patient complaints should be forwarded to the Business Office Director for review. BOD will review complaint with the facility Chief Financial Officer or Chief Executive Officer (CFO/CEO) for the validity of any issue reported and work to resolve immediately.

Returned refunds and mail items will be followed up on within 10 business days of receipt. When bankruptcy notifications are received, Biller/Collector will follow the process in the **Notification of Bankruptcy Policy**.

For all accounts due by third party payors, the Business Office must confirm that the payor received the claim within 14 days of submission for paper claims and 7 to 10 days for electronic submissions.

- Collection efforts for these billed claims should take place every 14 days or more often as circumstances or payor practices may require.
- Subsequent follow up will occur no later than every 14 days, on average, until the expected payment amount is received.
- These minimum standards should be guided by the facility's service levels and payor philosophy.

- A follow up tickler system should be used to track the date of the next scheduled follow up and to notify the collector of such date.

For all self-pay/private pay accounts, the Business Office will send monthly statements and utilize an early out preferred vendor. Accounts are placed and returned through an automated process which must be reconciled by the Business Office Director on a monthly basis. The placement process goes as follows:

- Self-Pay accounts (FC = S) are placed with vendor 5 days post discharge.
- Self -Pay after Insurance/Medicare (FC =SI and SM) are placed with vendor once the accounts have been placed in these financial classes.
 - S and SI changes to F4 - returns are placed into R4
 - SM changes to F7 - returns are placed into R7
- Financial Classes - SR, ST, SC and SX are not a part of the automated process.
- Accounts are returned from the early out vendor within 120 days.
- The accounts in R4/R7 will need to be reviewed for collection agency placement.

Once the early out vendor's efforts are exhausted, the accounts will be placed with agency in accordance with the **Bad Debt Write Offs Policy**.

AR Meeting/Review

In order to identify/resolve obstacles to the collections of patient accounts receivables (AR), it is recommended that the BOD/CFO have regularly scheduled AR meetings involving key departments such as Admissions and Utilization Management as well as the Biller/Collectors.

Attachment A - AR Meeting Minutes provides a recommended guideline for the content of such a meeting. These meetings should be held weekly with the frequency being modified dependent upon the ability of the facility to meet their key metrics such as Cash Collections, AR Days and Bad Debt Expense.

The AR Review process should be a part of the standard Business Office practice. A Summary Aging report from the patient accounting system should be tracked monthly to identify unfavorable trends. System generated payor specific work lists should be used as an efficient tool to address multiple accounts with payors. High dollar accounts and accounts aged over 60 days should be given special priority and worked with greater urgency.

Each weekly AR Meeting should focus on accounts/payor issues affecting cash collections and bad debt expense. The BOD should “**Know the Bad Debt Roll**” which is defined by each facility’s individual bad debt policy. A schedule of working aging buckets each week in addition to working current accounts will assist the BOD in knowing what issues are occurring in the patient accounts well before they become bad debt expense.

A recommended schedule for working aging buckets is as follows:

- Week I/Month End-Accounts over 181 days old and Credit Balances

- Week 2 - Accounts 151-180 days old
- Week 3 - Accounts 121-150 days old
- Week 4 - Accounts 91-120 days old
- Start over with Week 1. If there is a Week 5 then it can be used to redouble your efforts on the significant known payor issues.

The patient accounting system and dashboard reports offer many ways to review the detail of the patient accounts as well as collector productivity. The key is to make use of all the available resources and be proactive in working patient accounts and the related payor issues.

5. REFERENCES

Attachment A - AR Meeting Minutes Acute

Attachment B - AR Meeting Minutes RTC

Attachment C - AR Meeting Minutes Specialty

Approval Signatures

Step Description	Approver	Date
Executive Chief Financial Officer	Todd Young: Chief Financial Officer	10/2025
	Debbie Kraemer: VP Business Office Operations	10/2025

Applicability

Acadia CTC, Acadia Corporate, Acadiana, Agave Ridge, Ascension St. Thomas, Azure Acres, Bayside, Belmont, Blue Ridge, Boulder Creek, Bradford Recovery Center, Brandywine, Bronson, Burkwood, Camp Recovery, Capitol Park, Carolina House, Cedar Crest, CenterPointe Columbia, CenterPointe St.Charles, Coachella Valley, Coastal Pines, Conway Behavioral Health, Cove Forge, Covington, Crestwyn Cons, Cross Creek, Delta Specialty Hospital, Duffy's Rehab, ECU Health, East TN Behavioral, Erlanger, Galax, Geisinger Behavioral Health - Danville, Geisinger Behavioral Health Center Northeast, Glenwood BH, Greenleaf, Harbor Oaks, Haverhill Pavilion, Henry Ford Behavioral Health Hospital, Highland Ridge(closed), Huntington Creek Recovery, Keystone, Lakeland, Lakeview Behavioral, Little Creek, Longleaf, Maple Heights Behavioral Health, McCallum, MeadowWood, Milestones, Millcreek Arkansas, Millcreek of Magee, Mirror Lake Recovery Ctr, Montecatini, Montrose Behavioral Health, Montrose Behavioral Health (Children's), Mount Carmel, Mount Regis, North Port, North Tampa Hospital, Oasis, Ohio Hospital for Psychiatry, Options, Pacific Grove Hospital, Park Royal, Pocono Mountain Recovery, Pontotoc, Rebound, Red River, Refuge, Resource, Rio Vista BH, River Place, Riverview, Riverwoods, Rolling Hills, Sabal Palms, San Jose, San Juan Capestrano, Serenity Knolls, Seven Hills, Shorewood, Sierra Tucson, Signature Psychiatric(closed), Sonora, Southcoast, Southstone Recovery Center(closed), Southwood, Starlite, StoneCrest Center, Structure House, Torrance, Tower Behavioral Health, Trustpoint Hospital, Turning Point, Twelve Oaks, Valley, Vantage Point, Vermilion, Village, WDR-Allenwood, WDR-Lancaster, WDR-Lebanon, WDR-Lehigh, WDR-Mt.

Zion, WDR-York, Wellness Resource, West Pines Behavioral Health, Wilmington, Yellow Rock
Behavioral Health, Youth Care

APPROVAL:

Signed by:

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Date: 10/30/2025

Debbie Kreamer, VP Revenue Cycle Management