



|  |   |                        |                              |
|--|---|------------------------|------------------------------|
| <b>Section:</b>                                    | <b>Administration and Fiscal Policy and Procedure</b> |                        |                              |
| <b>Title: Debt Collection Policy – Private Pay</b> |   |                        |                              |
| Effective Date:<br>01/01/2022                      | Revision Date:  | Annual Review<br>Date: | Approval<br>By:<br><br>Date: |

### **Policy**

It is the policy of Joyce Eisenberg Keefer Medical Center Acute Geriatric Psychiatric Hospital (AGPU) to bill patients and applicable third-party payers accurately, timely and consistent with applicable laws and regulations.

### **Purpose**

To provide criteria for collection of self-pay balances and account resolution in a timely manner for purposes of correct reporting under Generally Accepted Accounting Principles (GAAP), compliance with state-specific bad debt collection laws, generating additional cash collections and maintenance of aged accounts receivables percentages within industry standards. This policy provides information regarding the collections and bad debt processing for patient balances on hospital accounts.

### **Scope**

This policy applies only to AGPU, which is a 10-bed acute geriatric psychiatric unit. AGPU does not provide emergency room services, surgery, or other acute medical care. This policy does not apply to physicians or any other medical providers whose services are not included in Hospital's bill. Additionally, this policy does not create an obligation for the Hospital to pay for such physicians' or other medical providers' services

### **Procedure**

1. After any applicable third-party payment, monthly billing statements are generated by the Accounts Receivable system and mailed directly to the patient or guarantor/responsible party by the 2<sup>rd</sup> working day of the month.
  - a. Each statement will show all applicable charges, including, but not limited to
    - i. Room and Board charges
    - ii. Ancillary charges
    - iii. Coinsurance, Copay and or deductible charges



- iv. A copy of APGU's Financial Assistance Policy plain language summary and/or reference to the FAP information available on the website including phone number(s) to call for assistance.
- b. Payment is due by the 15<sup>th</sup> of the month

## 2. Collections

- a. If payment is not received by the 15<sup>th</sup> of the month, collection efforts can include:
  - i. Initial call on the 20<sup>th</sup> of the month by Fiscal Billing Dept
  - ii. Letter #1 by the 30<sup>th</sup> of the month by Fiscal Billing Dept along with the Financial Assistance plain language summary or website info for application.
  - iii. Letter #2 by the 30<sup>th</sup> of the following month signed by AR Manager along with information on the Financial Assistance Program.
  - iv. Letter #3 by 16<sup>th</sup> of the following month signed by hospital CEO and AR Director along with information on the Financial Assistance Program.
- b. If an account remains uncollected for 120 days, the Fiscal Billing Dept and hospital administration will determine next steps and will remind patient of the hospital's Financial Assistance Policy and provide an application.
- c. If a payment arrangement is requested the accounts receivable Manager or Director must review and approve the terms of the agreement.
- d. Accounts are screened for bad debt by the Fiscal Billing Dept and considered uncollectible if all of the following criteria are met:
  - i. The account is over 180 days old from discharge date and the dollar amount exceeds the facility-established small dollar write-off balance.
  - ii. There has been no response from the patient in the previous 120 days (4 months) despite at least four contacts (i.e., conversation, statements, etc.) with the patient.
  - iii. No previous payment has been made, the patient does not qualify for charity care or a discount policy, has not set-up or has failed to keep payment arrangements within the last 120 days.
  - iv. A minimum of three (3) statements have been sent to the patient, including a final request for payment.
- e. At such time, the account is deemed uncollectible and the Fiscal Billing Dept uses appropriate methodology as developed by APGU to recommend bad debt. The account becomes part of the bad debt review list. If all collection efforts are unsuccessful, and the patient does not qualify for the Financial Assistance Program, the hospital will write off to bad debt. No outside collection agency is used.

