

TITLE: CREDIT AND COLLECTIONS POLICY

DEPARTMENT:

PAGE 1 OF 2

SCOPE: PATIENT FINANCIAL SERVICES

PURPOSE: The primary purpose mission of Southern Inyo Hospital is to provide the highest quality medical care to its patients. An efficient and equitable system must be established that will maximize the collection of patient accounts receivable balances in order to provide the cash flow required to operate Southern Inyo Hospital effectively.

PROCEDURE: These collections policies and procedures apply to all accounts. Any rejected third party payer accounts will be classified as self-pay until such time as further insurance is verified. Accounts will be transferred to the appropriate billing class whenever payments or rejections are received from third party payers. Specific policies and procedures vary with the classification of the accounts as follows:

A. OFFERING FINANCIAL ASSISTANCE AND ASSISTANCE TOWARDS INSURANCE

ENROLLMENT:

During hospitalization, Collections staff will attempt to visit any inpatient who does not have insurance to assist with starting insurance enrollments steps or to make the patients aware of the hospital's Financial Assistance offering. Social services and case management staff is involved as needed to attempt to obtain coverage for uninsured patients.

B. NON-CONTRACTUAL THIRD-PARTY PAYER ITEMS AND SELF PAY ACCOUNTS:

Follow-up on these cases will be as follows:

<u>DAYS AFTER BILLING</u>	<u>PROCEDURES</u>
45	FIRST STATEMENT
75	SECOND STATEMENT
105	FINAL NOTICE SENT TO PATIENT
135	TURN OVER TO COLLECTION AGENCY AND/ OR ATTORNEY

IN ADDITION TO THE ABOVE, SCHEDULED TELEPHONE CONTACT WILL BE INITIATED. SELF PAY RESIDUAL ITEMS, (i.e. Copays, Deductibles, etc.)

Residual balances after third party payment/rejection will proceed through the appropriate statements, message, letters and phone calls as follows:

- 1) The day after all third parties are satisfied (paid or rejected), a statement showing the charges, credits and payments applicable there to and resulting self-pay balance will be produces and mailed to the patient.
- 2) The account will advance through the non-contractual accounts cycle outlined above.
- 3) In all cases, the cycle detailed for all accounts can be interrupted by one or more of the following occurrences:
 - a) Receipt and verification of third-party coverage.
 - b) Payment arrangements are agreed to and followed by the patient/guarantor.

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PAGE 2 OF 2

C. GENERAL POLICIES

Several general policies have been established to control the activities in the collection cycle including...

- 1.) Whenever possible, the hospital will extend payment arrangement terms to the patient to settle the debt over an acceptable period of time.
- 2.) Minor post insurances balances under \$5.00 are automatically written off.
- 3.) Southern Inyo Hospital provides a Payment Plan Agreement form for patients with large number of balance (s) or multiple accounts with remaining balance.

D. COLLECTION AGENCIES

- 1) Accounts can be placed on hold or returned from the collection agencies due to proof of insurance edibility, application towards financial assistance or involvement within an investigation of patient complaint.

E. MEDICARE

- 1) At the pre-registration and /or registration of patient, all registration personnel will verify the patient's Medicare coverage and confirm Medicare as the primary payer.
- 2) The Medicare MSP questionnaire will be completed via registration program.
- 3) Patients will be notified in writing at the time of registration of Medicare covered services that will not be covered during this episode of care; lack of medical necessity will generate the issuing of an Advance Beneficiary Notice (ABN).

APPROVAL	DATE	APPROVAL	DATE
Department/Division Manager		Interdisciplinary Team	
Unit Medical Director (if applicable)		Governing Board	<i>BJO</i> 5/14/24
Medical Staff Committee (if applicable)		Administration	<i>[Signature]</i> 5/14/2024
Reviewed By:		Reviewed By:	
Reviewed By:		Reviewed By:	