



Policies and Procedures

Tarzana Treatment Centers, Inc.

Title: Charges and Collections for Primary Care

PURPOSE

The purpose of Tarzana Treatment Centers' (TTC) Charges and Collection for Primary Care policy is to provide clear and consistent guidelines for conducting billing and collections functions in a manner that promotes compliance, patient satisfaction and efficiency. Through the use of billing statements, written correspondence and phone calls, TTC will make diligent efforts to inform patients of their financial responsibilities and available financial assistance options, as well as follow up with patients regarding outstanding accounts. Additionally, this policy requires TTC to make reasonable efforts to determine a patient's eligibility for financial assistance under TTC's sliding fee scale before engaging in extraordinary collection actions to obtain payment.

This policy and procedure address the Health Resources and Services Administration (HRSA) Billing and Collections protocols:

- Element E: Procedure for Additional Billing or Payment Options
- Element G: Accurate Patient Billing
- Element H: Procedures for Waiving or Reducing Fees
- Element J: Refusal to Pay Policy

POLICY

It is the policy of TTC to bill patients and applicable payers accurately and in a timely manner. During this billing and collections process, staff will provide quality customer service and timely follow-up and all outstanding accounts will be handled in accordance with the appropriate laws, regulations, and contracts.

The president/CEO shall be responsible for reviewing and approving changes to TTC's fee schedule annually. The president/CEO also shall be responsible for the operating principles that underlie the construction of the fee schedule.

TTC's fee schedule shall be developed to reflect general accessibility of services regardless of income; and charges shall be developed on the basis of the patient's ability to pay.

TTC's sliding fee schedule shall begin at 100% of the current Federal Poverty Guidelines. This scale should be adjusted every March 1st to April 1st to meet the applicable current Federal Poverty Guidelines. TTC's fee schedule shall take into consideration variations of income and family size.

PROCEDURES

Any patient, regardless of area of residency, is eligible for services on the basis of a sliding fee schedule. Services are provided regardless of ability to pay.

Before patients may be considered for sliding fee scale discounts, they must first go through a financial eligibility screening. If denied any type of assistance, the appropriate sliding scale discount will be granted. When patients are eligible for the sliding fee schedule, a reduced charge shall be assigned to the patient and will be specified in writing in a contractual agreement that outlines the expectations for payment on a timely basis.

Third-party payers, Medicaid, Medicare and insurance companies shall be charged the full cost of service. Third-party payers shall be billed in accordance to laws, regulations, and contracts. Patient county funding shall not be used to defray the costs of third-party payers. That is, TTC shall not charge the insurance company the fees assigned to the patient based on the sliding fee schedule.

TTC's fee schedule shall serve as the organizational standard in establishing charges to patients residing within the service area. TTC shall review charges for services with patients at the time of initial contact; and the patient shall be provided with information about TTC's fee setting procedures.

Collecting Individual Fees

TTC shall bill individuals for unpaid fees on a monthly basis. Payment is expected within 30 days of the date of billing.

Individuals who have a fee are requested to pay that fee at the time of the session. TTC staff are responsible for informing the individual of this policy. In extenuating circumstances, the individual can speak with the president/ CEO if he/she cannot pay the co-pay/fee.

Individuals seen at TTC for evaluation, who are private pay, may be required to pay the full evaluation fee, based on TTC's fee schedule, prior to the evaluation being performed.

Individuals are informed of any known third-party payer requirements relative to fee payments. If the individual does not meet these requirements, thereby negating payment by the third-party payer, the individual may be billed for services rendered at TTC's full fee and be held financially responsible for payment to TTC.

If an individual reports that he/she has health insurance coverage, but prefers to pay for services rather than submitting an insurance claim, TTC shall set a fee for services which is either:

- (a) equal to the amount that insurance would have been paid had the insurance been billed
or
- (b) the appropriate fee based on TTC's fee schedule (the fee for services shall be the greater of either a or b).

Individuals are informed of TTC's policies regarding cancelled appointments and failed or "no-show" appointments. These policies are described to the individual prior to his/her first appointment and are clearly stated in the fee agreement signed by the individual. Only in the case of highly extenuating circumstances may these policies be waived/modified by the

president/ CEO.

Each individual having an unpaid fee balance shall be sent a statement each month. Charges and payments are recorded on this statement as they occur. If no payment has been received after thirty (30) days, a second statement is sent noting payment is "past due". When the third monthly statement is sent, the individual is warned of pending "collection action".

A Cure the Default letter shall be sent if no payment arrangements have been made after ninety (90) days. Subsequent unpaid balances shall be reviewed by the supervisor (or other appropriate billing department personnel) and the president/CEO during the following month to determine whether other steps for collection shall be taken or whether the account shall be written off as uncollectible.

If there is no response to either of the letters of the president/CEO, the president/CEO has the authority to either initiate appropriate action for the collection of the individual's unpaid account balance or approve the write-off of such accounts as uncollectible. Such write-off does not relieve the individual of responsibility for the account should he or she return to TTC for treatment at a later date; or if it is later determined that the individual may be able to pay the account balance. The president/CEO or his designee can waive charges in order to eliminate barriers to care.

Refusal to Pay

TTC reserves the right to terminate patients who refuse to pay for services as defined by meeting any of the criteria below:

1. Not making a payment on their balance and not responding to TTC's requests for communication.
2. Refusing requests by TTC to meet with a TTC staff to discuss and participate in a payment plan.
3. Not having submitted a written appeal to TTC to request an extension of sixty (60) days in which they can meet with a TTC staff.

If these criteria are met, TTC will make at least two documented attempts to contact the patient to explain the patient's obligations and offer a meeting with TTC staff. These attempts will be made via telephone and in writing to either encourage them to meet with a staff or to make a payment directly. If TTC is unable to reach the patient, then as an option of last resort, TTC will terminate the patient and they will no longer be able to receive additional services at TTC (except in the case of emergencies) until they are willing to meet the patient obligations described herein.

This does not apply to patients who have applied for the Sliding Fee Discount Program (SFDP) whose incomes are below 100% of the Federal Poverty Guidelines and are thus eligible to pay a nominal fee only for services.

Waiving of Charges

All patients seeking healthcare services at TTC are assured that they will be served

regardless of ability to pay. No one is refused service because of lack of financial means to pay. Requests for discounted services may be made by patients, family members, social services staff or others who are aware of existing financial hardship.

Financial hardship is when a patient is willing but unable to meet their debt obligations because of unexpected events or unforeseen changes that impacts cash flow. For example: Changes in income or changes in employment status (such as losing a job or having hours reduced). Financial hardship/ charity care may be extended to those who qualify for all four (4) of these reasons:

- a. The patient is not eligible for Medicaid or pending Medicaid approval
- b. The patient is determined to be unable to pay for services provided
- c. The patient is unable to accept an installment payment arrangement and
- d. The patient agrees to make payment at the time the discount is granted.

For patients who identify themselves or are identified by TTC staff to be considered for financial hardship/ charity care, staff will obtain financial information from the patient. Presumptive eligibility can be based on their current status with state agencies (e.g., Food Stamp Program, WIC, etc.). If not applicable, patients will be requested to submit a copy of their last two pay checks stubs, current year federal 1040 tax return and if applicable, unemployment benefits check stubs. TTC will assist patients compile their information as much as possible. The billing staff will determine eligibility for financial hardship or charity care.

TTC's Charges and Collections policy is based on income and family size only. In certain situations, patients may not be able to pay the nominal or discount fee. Waiving of charges may only be used in special circumstances and must be approved by TTC's president/CEO, CFO or their designee. Any waiving of charges will be documented in the patient's file along with an explanation (e.g. ability to pay, goodwill, health promotion event).

Applying the Policy and Training Staff

These policies and procedures will be uniformly applied across all TTC patient populations and staff will be trained to assist with the uniform implementation of the process. Systems will be updated as the policy is updated to assist with compliance, and at a minimum, staff trained when hired and each time the policy is updated.

When an individual who has an outstanding debt to TTC or who has been turned over to a collection agency returns to TTC for additional services, the following guidelines will be followed. The individual will be informed that any amounts turned over to the collection agency shall remain owed to the collection agency. The individual will be requested to make a \$5 payment toward the outstanding debt at the time of each visit. If they cannot make this \$5 payment, they will be seen once by a provider to determine if this is urgent or emergent care. In addition to the payments toward the debt, the individual must make arrangements to ensure that the entire fee is paid for at each subsequent visit, so no further debt is accrued.