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| \\hcmc\users\bmckee\My Documents\My Pictures\HCMC Horizontal_1 copy 3.jpg301 Tyson Avenue\* Paris, TNPolicies/Procedures | Policy: Patient Collection Policy |
| Approved By: |
| Department:  | Policy Number: 8310.1.7.200 |
|  | Approval Date:5/1/18 |
|  | Supersedes: |

**PURPOSE:** To establish procedures regarding the collection of patient accounts, including pre-registration activities and external collection agencies.

**SCOPE:** All Henry County Medical Center (HCMC) (owned, operated, leased, and managed) including, but not limited to, hospitals, ambulatory surgery centers, outpatient imaging centers, physician practices, Corporate Departments, Groups, and Divisions.

**DEFINITIONS:**

**Balance:** The outstanding patient financial responsibility that is due to the facility/provider as a result of receiving health services; amounts may include deductibles, co-payments, co-insurances, and non-covered services.

**Co-Pay:** A fixed amount the health insurance plan requires an insured patient to pay when a medical service is received; separate copayment may be required for different services

**Co-Insurance:** An amount the insured patient is required to pay; usually in the form of a stated percentage of medical expenses after a deductible is paid.

**Deductible:** Fixed dollar amount (usually within a calendar year) the insured patient is required to pay before the insurer will cover medical expenses/services; plans typically have both an individual and family deductible.

**Extraordinary Collections Actions:** Actions which require a legal or judicial process, involving selling a debt to another party or reporting adverse information to credit agencies or bureaus. HCMC will check charity eligibility prior to take any extraordinary collection action. Written will be provided at least 30 days in advance of initiating specific ECAs and meet informational requirements. As defined under IRS Codes Section 501(r), such actions that require legal or judicial process include:

* Certain liens
* Foreclosure on real property
* Wage garnishment
* Attachment or seizure of a bank account or other personal property

**Financial Assistance:** Discounts or elimination of payment for health care services provided to eligible patients with documented and verified financial need.

**Financial Counselor:** HCMC representative responsible for assessing a patient’s liability, identifying and assisting with public funding options (Medicare, Medicaid, etc.), determining if a patient is eligible for financial assistance, and establishing payment arrangements.

**Henry County Medical Center (HCMC):** Henry County Medical Center and additional areas mentioned in the scope of this document.

**Patient:** For the purpose of this policy, the person requesting or receiving information on behalf of the patient related to the bill.

**Patient Communication:** Any form of inquiry or comment received from the patient or patient’s representative via phone calls, face to face interactions, written correspondences, electronic mail and My Health at HCMC Patient Portal.

**Payment Plan:** A system by which payment for health services is made in installments over a fixed period of time.

**POLICY:** Henry County Medical Center is committed to patient satisfaction and accountability in the collection process. HCMC representatives will be diligent in securing payment for services before they are rendered but will not delay emergency or urgent care based on the patient’s ability to pay.

HCMC pursues collection from patients who have the ability to pay. Payment and collection procedures will be applied consistently and fairly to all patients, regardless of insurance status or ability to pay. HCMC will attempt to collect the full amount of patient liability or reach an acceptable payment arrangement prior to rendering services. Financial options may include a deposit, payment plan, federal/state/county assistance, or financial assistance application.

Collection agencies and external legal counsel may be utilized for unpaid account balances or in situations where patients are uncooperative in providing data requested under the Financial Assistance Policy (FAP). HCMC may take any and all legal actions, including Extraordinary Collection Activities, to obtain payment for medical services provided.

As applied through this policy, HCMC should clearly communicate with patients regarding financial expectations as early in the registration and billing process as possible. Patients are responsible for understanding their insurance coverage and providing needed documentation to aid in the insurance collection process. Patients are generally responsible for paying for balances not paid by their insurance companies, including deductibles, co-payments, co-insurance, and non-covered plan benefits.

**PROCEDURE:** HCMC will utilize reasonable efforts in a fair and consistent manner to collect patient balances while maintaining patient confidentiality. The collection of patient balances may occur prior to service or after service has been completed as defined below.

At the time of service, registration staff will request for payment in full. If the patient is unable to pay in full, a suitable payment arrangement should be scheduled. Patients that are pre-registered for services will be contracted prior to their appointment. An estimate of patient responsibility will used to schedule payment in full prior to the services. Elective procedures should not typically be performed without payment in full.

If the patient is unable to commit to the payment arrangement guidelines set forth in this policy, the patient should be referred to the Financial Counselor. If the Financial Counselor is unable to establish a suitable payment arrangement, the account will escalate to the Director of Patient Financial Services and/or Administration for final approval.

**Emergency Medical Service**

Registration staff will discuss payment arrangements with the patient after the medical screening examand stabilization has occurred. Payment in full will be expected, but in the event that the patient cannot pay in full, a suitable payment arrangement should be discussed

**Collection of Patient Balances**

Collection procedures may be based on balance size, aging, past collection experience, and anticipated collectability. Credit scoring and other tools may be used to predict collectivity on account balances.

Standard collection tools may include:

* A Plain Language Summary detailing the Financial Assistance Policy for the facility.
* Letter requesting payment
* Phone calls requesting payment
* Letter and/or phone call indicating account may be placed with a collection agency

HCMC strives to assist all patients in meeting their financial obligations prior to enlisting the assistance of a collection agency. Patients will have 120 days from the date of the first billing statement is generated to complete the Financial Assistance Application before any Extraordinary Collections Actions are taken. Third party debt collection agencies may be enlisted only after all reasonable collection and payment options have been exhausted, including submission of a Financial Assistance Policy.

Extraordinary Collection Activities may include reporting to the credit bureau(s), civil action, or garnishment. Hospital and external collection agencies may also take any and all legal actions, including but not limited to telephone calls, mailing notices, and skip tracing, to obtain payment for medical services provided.

**Payment Plan**

HCMC will allow patients with self-pay balances to request payment plan arrangements, which are interest free. Payment plan guidelines are shown below:

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| Balance Due | Acceptable Terms |
| < $100 | Not Eligible for payment Plan |
| $101-$500 |  Payment in Full within 6 months or $50 per month |
| $501-$1000 | Payment in Full within 12 months or $75 per month |
| $1001-$5000 | Payment in Full within 24 months or $100 per month |
| $5001-$7500 | Payment in Full within 36 or $200 per month |
| Above $7500 | As agreed upon with the Financial Counselor |

The minimum monthly payment amount is $50. Patients are required to pay at least this amount in order to qualify for a payment plan. In the event a patient is unable to accept the standard payment terms, Patient Financial Services management may approve case by case exceptions according to department procedures.

**References:**

**HCMC Financial Assistance Policy**