

Unique Identifier: HWP12048	DAY KIMBALL HEALTHCARE Hospital-Wide Policy Manual Section – Leadership Page 1 of 7
TITLE: Credit and Collection Policy	RESPONSIBLE PARTY (IES): Director of Revenue Cycle Vice President and CFO
FORMERLY KNOWN AS: General Information, Credit and Collection of Patient Accounts – HWP12048 & Use of Collection Agencies – HWP12024	
EFFECTIVE: 4/01	REVISED: 2/02, 1/03, 2/1/05, 5/2/05, 5/06, 7/28/06, 3/21/07, 4/11, 4/14, 10/16, 2/17, 2/18
REVIEWED: 1/7/09, 4/11, 10/16, 2/17, 2/18	
REGULATORY STANDARD:	

I. GENERAL STATEMENT OF PURPOSE:

Day Kimball Hospital has a fiduciary responsibility to appropriately bill and collect for patient services provided. Our policy is to comply with state and federal law and regulations in performing this function. Day Kimball Hospital does not discriminate on the basis of race, color, national origin, citizenship, alienage, religion, creed, sex, sexual preference, age, or disability, in its policies, or in its application of policies, concerning the acquisition and verification of financial information, pre-admission or pretreatment deposits, payment plans, deferred or rejected admissions, low income patient status determinations, or in its billing and collection practices.

II. POLICY:

A. Collecting Information on Patient Health Coverage and Resources

It is the patient's responsibility to provide the hospital with accurate information regarding health insurance, demographics, and applicable financial resources to determine whether the patient is eligible for coverage through an existing private insurance or through available public assistance programs.

At the time a patient is scheduled or at time of patient registration, the Patient Access representatives will obtain and verify the financial information. This information is necessary to determine responsibility for payment of the hospital bill. If the patient or guarantor is unable to provide the information needed, and the patient consents to treatment, the Patient Access staff or hospital Financial Counselors will make reasonable efforts to contact the appropriate parties for additional information while the patient is in the Hospital prior to the point of discharge.

All information will be maintained confidentially in accordance with applicable federal and state privacy laws.

B. Patient Notice of Availability of Assistance

1. Signage

To notify patients of the availability of financial assistance and other programs of public assistance, signage will be posted throughout the organization in the following locations in both English and Spanish:

- a. Patient Accounts, Patient Access, the Lab, hospital based physician practices and all satellite locations

2. Notification Practices

- a. Day Kimball Hospital will provide information of the availability of financial assistance programs to all self-pay patients expected to incur charges.
- b. The Hospital will include a Plain Language Summary outlining the availability of financial assistance with all patient statements.
- c. The hospital will notify the patient that it offers several payment plan options.
- d. Patients with scheduled procedures will be notified of their right to a pre-treatment estimate prior to their scheduled service in accordance with CT Senate Bill No 289.

C. DKH Collection Practices

1. Deposits and Pre-payment plans

- a. The Hospital may request a “pre-admission” or “pre-treatment” deposit of 50% of estimated patient out of pocket responsibility and / or agree to payment plan arrangements for all elective services. The hospital will not request pre-admission and/or pre-treatment deposits from patients who require Emergency Care.

2. Discounts:
 - a. Self-Pay Discounts – Day Kimball Hospital offers self-pay discounts to all uninsured patients in an amount not to exceed the amounts generally billed (AGB) to Medicare patients for the same emergency or medically necessary services.
 - b. Prompt Pay – Day Kimball Hospital will offer self-pay patients (including both uninsured patients and patients with balances after insurance adjudication) a prompt pay discount of 10% when Payment in Full is received within 30 days of first statement date.
 - c. Day Kimball reserves the right to offer adjustments to settle disputed accounts.
 - The Credit and Collections Supervisor is authorized to offer up to 25% to settle billed / unpaid accounts if extenuating circumstances arise in the name of customer balances when documented disputes or complaints are filed and investigated on a case by case basis in conjunction with the Department of Quality and Risk Management
 - Percentages above 25% must be approved by the Director of Revenue Cycle.
 - No professional courtesy discounts or balance forgiveness are provided to physicians, board members, nurses, business associates or staff.
 - d. Small Balance Adjustments
 - Hospital small balances, both debit and credit, will be written off up to \$4.99.

3. Internal Collection Practices
 - a. Once patient responsibility is posted to an account, an initial statement will be sent to the party responsible for the patient's personal financial obligations. A second statement is generated at day 30, and a third statement on day 60. All statements will be accompanied by a copy of the hospital's Financial Assistance Policy Plain Language Summary.
 - b. Day Kimball Hospital will document all subsequent billings, telephone calls, collection letters, personal contact notices, computer notifications, and any other notification method that constitutes an effort to contact the party responsible for the obligation.
 - c. Documentation of alternative efforts to locate the party responsible for the obligation or the correct address on billings returned by the postal service as "incorrect address" or "undeliverable".
 - d. Documentation will reflect a continuous collection effort undertaken on a regular and frequent basis.
 - e. A fourth and final patient statement will be sent at day 90, giving the responsible party 30 days to make acceptable payment arrangements. This final statement will also include a copy of the hospital's Financial Assistance Policy Plain Language Summary.
 - f. Installment plans will be offered according to terms in Exhibit 1 (attached).
4. Accounts eligible to be referred for external collections include;
 - a. Accounts that have received a final notice after 120 days of internal collection activity and have not set up acceptable payment arrangements. DKH standard time frame is 121 days before any extraordinary collection efforts take place.
Exception:
 - Accounts that have defaulted on prior payment arrangements.

- b. The following situations may cause an account to be referred to an outside agency without receiving a final notice letter:
- Accounts where the responsible party cannot be located (returned mail or unable to locate).
 - Complex Workers Comp, Auto or Third Party Liability case will be referred to our attorney who specializes in resolving these cases.
 - Patient states to only contact their attorney. We may refer these cases to our legal counsel.
 - Patients willing to make a payment arrangement that does not meet our criteria may be referred to an outside company to handle this arrangement (CarePayment).

5. External Collection Practices

- a. Under the supervision of the Credit and Collections Supervisor, single account balances under \$1,000.00 will be turned over to an external collection agency.
- b. Individual account balances equal to or greater than \$1,000.00 or multiple account balances exceeding \$1,000 in total will be referred to the Credit and Collections Supervisor with asset and employment verification.
- After review of assets, the Credit and Collections Supervisor will make the determination to refer account(s) to either an external collection agency or legal collections to pursue extraordinary collection actions (ECA).

6. Extraordinary Collection Actions (ECA)

- a. Extraordinary Collection Actions (ECA) are only considered as a last resort in the form of property liens, wage garnishments or bank executions after referral to legal collections. These referrals include circumstances where:
- the debt exceeds \$1,000 singularly or in total

- the patient has been unwilling to cooperate, apply for financial assistance or engage with Day Kimball’s Patient Accounts department to find mutually agreeable payment terms
- the debtor holds known assets or property.

b. Legal Collections:

All patients referred to legal collections will receive an initial demand letter from a collections law firm acting on Day Kimball Hospital’s behalf and are given 30 days to respond. If there is no response or if in dispute, the legal collections firm will move to file suit. The suit must be authorized by the Director of Revenue Cycle. Once a suit is approved to be filed, the debtor is notified and has 10 days to respond. If the debtor does not respond within 10 days, the suit will be filed with the court and hearings will be scheduled to pursue options of property liens, wage garnishments or bank executions as applicable.

D. Financial Assistance

See the hospital wide policy for **Financial Assistance – HWP12027**

Attachment: Exhibit I

References (if applicable):

Related Policies (if applicable): **Financial Assistance – HWP12027**

Approval Signatures:

Director of Revenue Cycle

Date

Vice President, CFO

Date

Exhibit 1

Payment Arrangements:

Patients may take up to 120 days within the internal billing process to pay their balances in full without external collection practices initiating.

Patients interested in payment plans extending beyond the 120 day billing cycle will be referred to our partner patient financing organization, CarePayment, where balances can be paid off over a period of up to 48 months depending upon balance size.

Patients unable to make arrangements that fall within the criteria above will be referred to an outside collection agency and will be considered a bad debt by Day Kimball Hospital.

Any arrangements outside the payment criteria above must be approved as follows:

- a. The Credit and Collections Supervisor for balances less than \$1,000.00.
- b. The Director of Revenue Cycle for balances between \$1,000.00 and \$10,000.00.
- c. The Vice President of Finance for balances in excess of \$10,000.00.