POLICY AND PROCEDURE

Facility Department: **Business Office**		**Interdepartmental:**
Title:	Payment, Billing and Collection Policy	
Policy Number:	BO-1	
Author:	Ward C. VanWichen, CEO	
Approved:	Jo Tharp, CEO	
	Policy and Procedure Committee 04/17/2024	
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POLICY:

It is the policy of this facility to have a policy and procedure for payment, billing and collection processes.

PHILOSOPHY:

Phillips County Hospital & Family Health Clinic has established a strong mission to meet the medical needs of the patients and communities it serves and sound Payment, Billing and Collection Policies are an important and fundamental component of this mission. Phillips County Hospital & Family Health Clinic will maintain a policy of communicating financial responsibility prior to service with the expectation of payment at time of service. The policy will keep in mind the patient's unique financial situation and preserve the dignity of those involved. It is the belief that patients and their families, when provided information concerning financial expectations and options open to them prior to their visit, will enable patients to make informed decisions. Additionally, it is the belief patients who have resolved any financial decisions prior to the visit will be able to concentrate fully on their health concerns at the time of the visit.
Phillips County Hospital provides care to all those in need regardless of their ability to pay. PCH will not discriminate against anyone needing services offered by the organization on the basis of race, color, religion, national origin, sex, sexual orientation, physical disability, age, marital status, status as a disabled veteran of the Vietnam era or status with regards to public assistance or any other protected class.

PURPOSE:

The purpose of this Payment, Billing and Collection Policy is to ensure that, in connection with Phillips County Hospital's efforts to bill and collect for healthcare services rendered, all patients are treated fairly and reasonably and given sufficient opportunity to apply for financial assistance (see PCHs Financial Assistance Policy). The Payment & Collection Policy also provides direction to staff members in their interaction with patients, guarantors, and third party payors which will aid their efforts in ensuring customer service, accelerating cash flow, reducing bad debt expense, claim denial write-offs and charity care. It is Phillips County Hospital & Family Health Clinic's responsibility to ensure that all accounts are collected to the maximum potential.

PROCEDURE:

PAYMENT:

1. **As available and able PCH will work to offer cost of care estimates prior to providing care and services**
2. **Payment Due upon receipt of first billing statement.**

   Payment is due 30 days after the first billing statement has been mailed to the patient. However, as a courtesy, the Hospital will submit third party claims for the patient. For the purposes of this policy, self-pay portion is defined as co-payments, deductibles, and non-covered services. Self-pay portion also refers to amounts owed by individuals without insurance.

   Collection of co-pays, will be at the time of service if your insurance card states how much the copay is. If the co-pay is unknown, the attempt will be made to collect the following amounts:

   Other Outpatients $25

   Receptionist will be responsible to notify patients of co-pays due at time of reminder call the day before the scheduled appointment.

Co-Pay Collections:

- Collect
  - Medicaid – regular NOT expansion
  - Employees
  - Commercial Insurance
  - Tri-care Prime
  - Blue Cross Blue Shield – regular NOT expansion
  - 2nd Opinions
  - Children / Grandparents (Ask whomever brings them in)
  - Self-Pay
  - Pre-op Consults
  - Out of Network

- Not Collect
  - Medicare
  - Medicaid expansion
  - BC/BS Help
  - Workers Comp / VA / Motor Vehicle / PHS or HIS
  - Contract Physicals & drug screens
  - Patients with 2 insurances

- Reminder
  - Collect on all visits when patient is seeing a provider unless one of the above exceptions applies.
  - Ability or inability to pay co-pay **Does Not** affect care received.
  - Flex plans - patient pays co-pay then they receive reimbursement from plan.
  - If patient does not know co-pay amount in the clinic you will collect $25.00
  - All self pays require a $25 deposit clinic.

REMEMBER **-** "Mr. Patient you have a co-pay, would you like to pay that with cash, credit card or a check?"
Addendum

3. **Payment Options**
    - **Cash Payments -** self pay balances can be paid on date of service or prior to service and receipt given. If/when cash is received on account, two (2) PCH office employees will sign the patient receipt. Cash/self pay payments will be entered into the computer daily. The following scale will be used when patients are paying off their accounts in full:
    - $0 - $500 10% discount
    - $501 - $5,000 15% discount
    - >$5,000 20% discount

    There is a prompt pay discount of 5% when you pay in full within 30 days of your first statement. This discount is added to the above listed discounts.

- **Credit Cards -** Credit card payments for self-pay of patient portion balances are optional.
  NOTE - The cards accepted are Visa, MasterCard, American Express and Discover.

- **Managed Care, Medicare and other 3rd Party Payors –** The Business Office of Phillips County Hospital & Family Health Clinic works closely with Eligibility Programs to ensure patients have access to available programs. Non-insured patients may be referred to the state Medicaid Eligibility Program or an Insurance Navigator office for a probability of eligibility assessment.

    - Phillips County Hospital & Family Health Clinic is obligated to specific managed care programs. The specific terms of these agreements will dictate financial liability. However, unless payment or a rejection notification is received within 60 - 90 days it will be assumed the patient or service is not covered and financial liability will default to the patients. Patients will be contacted and asked to work with their insurance company to make payment. If there is no effective coverage, the patient will be asked to make payment immediately upon receipt or work with the Business office staff to make arrangements.

      It is understood, under the terms of the managed care agreements, the co-pay or patient's portion obligation is payable at or before time of service. This provision aids in the effective utilization of service by the patient and is often mandated by contract.

      Where the co-pay is not a specific, a flat dollar amount will be requested as referenced above.

    - Phillips County Hospital & Family Health Clinic will extend credit on third-party assigned benefits. This extension of credit will be for not more than 60 - 90 days after service. At this time the responsible party will be contacted and encouraged to work with their insurance to make payment. If there is no effective coverage, the patient will be asked to make payment immediately upon receipt.

- **Montana Medicaid Eligibility & Other Funding Sources -** The Business Office of Phillips County Hospital & Family Health Clinic works closely with the local state Medicaid Eligibility Program office to ensure patients have access to available programs. Non-insured patients may be referred to the state Medicaid Eligibility Program or an Insurance Navigator office for a probability of eligibility assessment.
  NOTE : PCH does not accept Medicaid from other states other than Montana.

- **Installment Plans -** A payment option letter will be sent with all self-pay accounts. This letter will outline payment options available to patients to pay off accounts in 12 months if not then those accounts will be turned to our collection agency. (Attachment: Contract Letters) Addendum #1

4. **Managing and Monitoring of Aging Accounts**

0-30 Day Accounts

a. Self-pay account balances not collected at the point of service will be billed monthly.
b. Third party payer claims will be filed if appropriate information is received. If information is incomplete, contact will be made with the patient to acquire the appropriate information. If such information cannot be ascertained, the account will be identified as "self-pay" and billed accordingly.

31-60 Day Accounts

c. On self-pay accounts, contact will be made with the patient for payment of balance via communication with Business Office staff to establish appropriate payment arrangements.
d. On accounts with insurance pending, the Business Office staff will contact the insurance company and/or patient by telephone or letter requesting status information.

61-90 Day Accounts

e. Self-pay accounts/balances not having made agreed-upon payment arrangements will be sent a letter from the Business Office and if no payment arrangements are made. Then turned over to 3rd party collection agency.
f. Patients, responsible party and/or the insurance company will be contacted regarding correspondence previously sent and accounts turned to self pay.

91-120 Day Accounts

g. Accounts that have not made previous collection arrangements will be referred for appropriate follow-up activity. Such collection efforts may include collection notices, phone calls and/or final request for payment.
h. Accounts recommended for collection will be reviewed by the Business Office and Director or Revenue Services for possible referral to the Phillips County Hospital & Family Health Clinic collection agency.

121-360 Day Accounts

i. Accounts over 120 days will have made appropriate payment arrangements with the Business Office collection staff.
j. All accounts not collected or having acceptable payment arrangements will be sent to collection when all internal means of collection the account have been exhausted. Accounts being assigned to collection will be referred to the Phillips County Hospital & Family Health Clinic collection agency for continued collection follow-up.

The Business Office staff will keep "work buckets" communication related to status of accounts and any activity or communication with the patient and/or responsible person.

5. **Discounts** – may be offered depending upon household income and size and a denial of coverage from Medicaid. A sliding fee schedule is used to calculate the basic discount and is updated each year using the federal poverty guidelines. The reduced charges range from a $10.00 flat fee to 20% - 100% of the actual charge. Once approved, the discount will be honored for six months, after which the patient must reapply.
6. **Bad Debt -** Those accounts that Phillips County Hospital & Family Health Clinic determines to be categorized as Bad Debt will be turned over to a 3rd party collection agency to monitor, manage, and collect bad debts. **(see separate PCH Financial Assistance Policy which is also available on the PCH website)**
7. **Financial Assistance Application -** Patients may be eligible for the PCH Financial Assistance Program based on financial needs as defined by criteria in the policy. This assistance is available without regards to race, color, creed, religion, national origin, sex, sexual orientation, age, disability, health care condition, marital status, or status as a disabled veteran of the Vietnam era or status with regards to public assistance. **(see separate PCH Financial Assistance Policy which is also available on the PCH website)**

BILLING:

1. **Registration** - All departments that do patient registration are responsibility to collect accurate demographic, insurance, and pertinent patient financial information prior to the services. At registration assignment of benefits will be obtained, which is generally also at the time of admission. The patient will be requested to collect the patient's co-pay, deductible and co-insurance.

   Pre-registration - Phillips County Hospital & Family Health Clinic will attempt to pre-register scheduled inpatients, outpatient surgeries and selected outpatient procedures as may be needed and/or appropriate.

2. **Pre-certification and Pre-verification** – When needed and/or appropriate patient insurance information will be pre-certified and/or pre-verified with the insurance company at the time or prior to care and services being provided.

   NOTE - For those patients being pre-certified and/or verified the Business Office or other PCH Representatives will contact the patient informing them of insurance co-pays, deductibles and non-covered services. Patients will receive communication of the hospital's payment expectations and payment options. All non-covered and elective procedures will be determined and communicated to the patient for payment at or before the point of service.

If a listing of insurance coverage and an assignment are not obtained upon admission through the normal process of registration, pre-registration, pre-certification or pre-verification (ie. through the ER), a Business Office representative will contact the patient for the information and assignment during the inpatient stay.

3. **Managed Care, Medicaid and other 3rd Party Payors –** The Business Office of Phillips County Hospital & Family Health Clinic works closely with Managed Care, Medicare, Medicaid and other 3rd Party Payors and their Eligibility Program through its' contracts to ensure patients have access to available programs.

4. **Billing Statements** - Phillips County Hospital & Family Health Clinic will ensure that all bills/claims submitted for payment are accurate and correctly identifying the services ordered and provided and shall include at a minimum the following:
   a) A summary of the healthcare services provided by PCH
   b) A summary of the charges for such services, with a statement that a detailed itemization of charges will be provided upon request; and
   c) The amount required to be paid by the patient

   Phillips County Hospital & Family Health Clinic will not:

   - Bill for services not provided;
   - Bill for services not properly ordered;
   - Misrepresent a patient's diagnosis to justify services;
   - Knowingly apply for duplicate payment or payment form duplicate payors for the same service;
   - Unbundle charges;
   - Misrepresent the services rendered, the amounts charged, the identity of the person receiving the service, or the identity of the person actually providing the service;
   - Utilize the billing number for a provider who did not actually provide the service;
   - Bill as if services rendered one day were rendered on different days; or
   - Take other action that is false or in violation of applicable laws or regulations.

5. **Business office personnel are responsible for:**
   - Claim rejections
   - Inappropriate unbundling/bundling of services

CPT and HCPCS codes will be reviewed annually. Significant code changes will be communicated in writing to practitioners as appropriate.

Bulletins from third-party payors will be reviewed and initialed by the entire business office personnel. Coding changes made or changes in reimbursement levels will be communicated to all practitioners as needed.

Ordering practitioners will ensure that the codes used are those which most accurately describe the ordered test. Codes will never be selected solely to maximize reimbursement.

Phillips County Hospital & Family Health Clinic will not:

- Use diagnostic information provided from earlier dates of service, except in cases where approved standing orders are utilized;
- Use prepared sheets that provide diagnostic information which has been found to be successful in maximizing reimbursement in the past;
- Use any computer-based or other programs which automatically insert diagnosis codes without receipt of current diagnostic information from the practitioner; or,
- Assume or "make up" diagnostic information for claims submission purposes.

Phillips County Hospital & Family Health Clinic will not bill Medicare beneficiaries for uncovered tests unless a advanced beneficiary notice has been signed.

6. Statement Cycle and Agency Referral

It is the expectation of Phillips County Hospital & Family Health Clinic that after service, payment is due within fifteen (15) days from the first patient statement. Unless other alternative financing is executed and payment is not received, accounts may be referred to a collection agency within 120 days.

- All unpaid accounts will be billed monthly
- In the event that non-covered charges or elective procedures are not collected at discharge, arrangements will be made with the Business office as soon as possible.
- Lawsuits instituted by 3rd party collection agency on behalf of the hospital to collect delinquent accounts are to be approved by the Business Office and Director of Revenue.

7. Over & Under Payment

It is understood estimating charges for a time-of-service collection program will result in over and under payment situations.

Phillips County Hospital & Family Health Clinic will provide refunds for patient overpayments upon monthly identification. Underpayments will be billed out to the patient in the next statement cycle and payment expected upon receipt.

Requests for refunds will be submitted to the Director of Revenue Services for a refund approval.

8. Charge Offs

1. Each month, the Business Office will review the accounts recommended for collection agency referral. This referral list will be submitted to the Director of Revenue Services.
2. In very rare circumstances and when appropriate, a review will be made to determine the qualifications of patients for financial assistance when requested for by the patient and will be referred to the FAP of PCH.
3. Collection agencies used by Phillips County Hospital & Family Health Clinic institutions must show proof of bonding and adequate liability insurance.

COLLECTIONS:

Subject to compliance with the provisions of this policy, the Hospital may take any and all legal actions, including Extraordinary Collection Actions (ECA), to obtain payment for healthcare services provided.

A. The Hospital will not engage in any ECAs, either directly or by any debt collection agency or other representative, before reasonable efforts are made to determine whether the patient is eligible for assistance under the Phillips County Hospital Financial Assistance Policy. To that end:

(i) The Hospital will not engage in any ECAs during the Notification Period.

(ii) The Hospital will publicize the availability of financial assistance through the methods specified in the Phillips County Hospital's Financial Assistance Policy, including through:

- Posting of signage in Hospital facilities;
- Posting the Financial Assistance Policy, the Financial Assistance Application, and Plain-Language Summary on the Hospital's website;
- Including the Plain-Language Summary in materials offered to each patient as part of the intake or discharge process.

(iii) The Hospital will ensure that the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are made available in both English and any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within the Hospital's primary and secondary service areas.

(iv) During the Notification Period, the Hospital will provide each patient with at least three Billing Statements (although no further Billing Statements need be sent, once the patient submits a Financial Assistance Application), each of which includes a conspicuous statement regarding the availability of financial assistance, including:

- A phone number for information about the Financial Assistance Policy and the application process; and
- A website address where the Financial Assistance Policy, Financial Assistance Application, and Plain-Language Summary are available.

(v) If any patient contacts the Hospital for information regarding possible financial assistance, the Hospital will provide such patient, at no cost, with a copy of the Financial Assistance Policy, the Financial Assistance Application, and the Plain-Language Summary. In addition, the Hospital will ensure that the patient is referred to Business Office staff or designee for further explanation and assistance as needed.

B. In the event that the Hospital intends to undertake one or more ECAs, the Hospital will mail or deliver to the patient a Pre-Collection Letter at least 30 days prior to commencement of the ECA(s). The Pre-Collection Letter will include all of the following:

(i) A statement that the Hospital intends to initiate one or more ECAs (identifying the specific ECAs to be undertaken) to obtain payment of the balance due;

(ii) A date (which must be at least 30 days following the date of the Pre-Collection Letter) by which payment must be made in order to avoid the specified ECAs;

(iii) A conspicuous statement that financial assistance is available pursuant to the Benefis Health System Financial Assistance Policy; and

(iv) A copy of the Plain-Language Summary.

Under no circumstances may a Pre-Collection Letter be mailed or delivered to a patient earlier than 30 days prior to the end of the Notification Period. During the 30-day period following the mailing or delivery of the Pre-Collection Letter, the Hospital will continue to make reasonable efforts to orally notify the patient about the availability of financial assistance.

If an intended ECA will cover charges for multiple episodes of care, the timelines associated with the Notification Period (120 days) and the Application Period (240 days) will be measured with respect to the most recent episode of care at issue (specifically, from the date of the first post-discharge Billing Statement for that care).

C. After the Notification Period has expired, the Hospital may commence one or more ECAs as follows:

(i) If the patient has not applied for financial assistance under the Phillips County Hospital Financial Assistance Policy by the last day of the Notification Period, the Hospital may initiate an ECA, but only after the Pre-Collection Letter has been provided and a period of at least 30 days has elapsed thereafter.

(ii) If the patient has applied for financial assistance but a determination has been made that the patient does not qualify under the Phillips County Hospital Financial Assistance Policy, the Hospital may initiate one or more ECAs.

(iii) If a patient submits an incomplete Financial Assistance Application prior to the expiration of the Application Period, then ECAs may not be initiated until the following process has been completed:

- The Hospital provides the patient with a written notice that describes the additional information or documentation required in order to complete the Financial Assistance Application;
- The Hospital provides the patient with at least 30 days' prior written notice of the ECAs that the Hospital may initiate against the patient if the Financial Assistance Application is not completed or payment is not made by a specified date; *provided, however,* that the deadline for completion or payment may not be set prior to the end of the Application Period;
- If the patient then completes the Financial Assistance Application and the Hospital determines definitively that the patient is ineligible for any financial assistance, the Hospital will give the patient an opportunity to establish a payment plan before initiating any ECAs; and
- If the patient fails to complete the Financial Assistance Application by the specified date provided in the written notice, the Hospital may initiate one or more ECAs.

(iv) If a Financial Assistance Application (whether complete or incomplete) is submitted by a patient at any time during the Application Period, the Hospital will suspend any ECAs underway for so long as the patient's Financial Assistance Application is pending.

D. The Hospital may authorize external collection agencies functioning on its behalf to undertake ECAs consistent with the provisions set forth above and applicable law. However, any ECA proposed to be undertaken by an external collection agency will require the prior approval of the Hospital in each case specifically as to the particular patient and account.

E. The account balances of patients who are able, but unwilling, to pay for Hospital services are considered uncollectible bad debts; such accounts will be referred to outside agencies for collection. The account balances of patients who qualify for financial assistance under the Phillips County Hospital Financial Assistance Policy, but who fail to pay the remaining (discounted) balance when due, are considered uncollectible bad debts for the amount of such balances; such accounts will be referred to outside agencies for collection.

F. The Hospital will provide copies of this Billing and Collection Policy without charge to the public. This policy generally will be posted, publicized, and otherwise available in the same manner as the Phillips County Hospital Financial Assistance Policy. Hospital will ensure that this Self Pay Billing and Collection Policy is made available in both English and any other language that is the primary language of the lesser of (i) 1,000 individuals, or (ii) 5% of the population within the Hospital's primary and secondary service areas.

Revision Number:	Revision Date:	Revised by:	Description
1	04/02/2024	Susan Bibbs, Dir. Of Rev	Updated information

Date/initials of last Review: 04/17/2024 by Policy and Procedure Committee

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