

<b>WESTERN MARYLAND HEALTH SYSTEM DEPARTMENTAL Policy Manual</b>	<b><u>Department/Division:</u></b> Business Office	<b><u>Policy Number:</u></b> 400-08
	<b><u>Effective Date:</u></b> November 12, 2010	<b><u>Reviewed/Revised:</u></b> 9/11, 5/12, 8/13, 6/14, 9/14, 1/15, 11/15, 4/2016 ,2/2017

### ACCOUNTS RECEIVABLE COLLECTION POLICY

**PURPOSE:**

The Accounts Receivable Collection Policy is intended to increase cash flow, reduce bad debts, identify patients eligible for financial assistance and manage receivables effectively.

**POLICY:**

Accounts will be followed by patient accounting staff according to designated work responsibility. The majority of self-pay balance accounts, true self-pay and balance after insurance will be outsourced to an agency. Patients may set up payment contract arrangements with patient accounting staff or the outsourcing agency, referred to as “our extended business office”. Outsourcing will occur in a designated time period addressed in the self-pay outsourcing contract. The results of phone calls, letters and contractual arrangements for payment will be recorded in the patient accounting information system.

WMHS will not defer, deny, or require payment prior to providing medically necessary care because of an individual’s nonpayment of one or more bills for previously provided care. WMHS provides financial assistance information to the patient at all registration sites, available on the WMHS web site, appropriate signage is posted in patient registration areas, patient statements also include financial assistance application and instructions.

Evaluation for Financial Assistance can begin in a number of ways. A patient may present to a hospital service area seeking medical care and inquire about financial assistance; or a patient may notify Patient Accounting personnel or a financial counselor that he/she cannot afford to pay a bill and request Financial Assistance. Patient Access registrars are trained to offer the Financial Assistance Policy and applications to self-pay patients. All inpatients are visited by a financial counselor before discharge from the hospital. The Financial Assistance application is available on WMHS web site, and is also with every patient billing statement. Financial counselors are available to assist patients with this process, and can be reached by calling 240-964-8435. Financial counselors and Medicaid eligibility specialists are on site in the hospital. Financial counselors are also available in the Patient Accounting Department to support and counsel patients.

Patients must have United States citizenship to qualify for Financial Assistance. Patients may be required to provide proof documentation such as identification card, birth certificate or lawful permanent residence status (green card).

Emergency services will be provided to all patients regardless of ability to pay. Scheduled services will be provided after financial screening has been performed. Deposits may be required prior to scheduled service. Failure to pay required deposits may result in rescheduling of the service. This policy is intended to comply with Section 501© of the Internal Revenue Code and has been approved by Western Maryland Health System Board of Directors.

PROCEDURE:

The following billing cycle has been established to assure that all patients are given an opportunity to pay for those services that were not paid by their insurance company, or to pay for those services when there is no insurance to cover the services. The process also ensures that patients are offered financial assistance in various communication methods. Patient statement includes payment and adjustment history, current balance and payment due date, and financial assistance application with instructional support.

1. Patients unable to pay full balance due may be screened for financial assistance eligibility. The financial assistance application, with supporting documents, should be completed by the applicant and returned to the Financial Counseling Department within 10 business days. In the event that the account(s) have been placed in collections status, all extraordinary collection action will be suspended until the application and review process are completed. If partial information is returned, WMHS will provide the applicant with written notice of that describing the missing information and the applicant will be given an additional 10 days to provide the required information and supporting documents. The request for additional information shows contact information for financial counseling support personnel. All extraordinary collection action will remain suspended during this period. If the applicant does not respond, the applicant's request for Financial Assistance will be considered incomplete and WMHS will provide the applicant with written notice of closed status. WMHS will accept applications up to at least 240 days after the first post-discharge bill statement to the patient.( See Financial Assistance Policy for further details)
1. If the patient does not qualify for financial assistance, the patient account will be placed on a payment plan. Payment plans are structured based on the account balance, with minimum monthly payment of \$ 25 . The Director or management personnel can grant exceptions to the payment plan for those patient situations that would place a major burden on the patient.

Balance of	< \$300		\$25	12 months
	\$ \$301-\$1,000	\$50	12months	
	\$1,001-\$3,000		\$100	18 months
	\$3,001-\$10,000		\$125	36 months
	> \$10,000		\$250	48 months

2. A summary bill will be sent to patients receiving inpatient services. Self-pay statements for all patient types are sent to the patient upon determination of patient responsibility for true self pay and balance due after insurance payment. This timeline is based upon patient account activity as it occurs throughout the billing process, which may cause this time period to vary. Detailed statements can be provided upon patient request. A financial assistance application is sent with every billing statement. WMHS will also provide a plain language summary of our Financial Assistance Program. In addition, Patient Accounting representatives will offer to aggregate outstanding bills for the patient and will discuss the financial assistance program and offer completion assistance. Representatives are available in the hospital, the Patient Accounting Department and by telephone to provide personalized assistance.

3. The first statement is sent which requests that the account be paid in full by the patient or the guarantor. If the account is not paid in full, the patient will be requested to set up a payment contract with patient accounting staff.
4. Patients will receive regular statements throughout the 120 day billing cycle... There are various patient statements ranging from Statement 1 to Statement 4, which is Final Notice. Other specialty statements are: Payment Plan letter, Payment coupon letter, and Payment Plan Default letter.
5. Patients making regular payments, (and not exceeding a 61 day gap without payment) will remain on the billing cycle until the account balance is zero. Patient accounts may be turned over to bad debt if the patient has not made a payment for 61 days during the complete 120 day billing cycle. . Accounts meeting these criteria will be electronically returned from the Self Pay outsourcing company and then transferred to the Bad Debt collection company. WMHS will wait 120 days after the first post-discharge billing statement before reporting to consumer credit reporting agencies. Bad debt collection agencies acting on behalf of WMHS will report fulfillment of financial obligation within 60 days to any consumer credit agency that WMHS or agency acting on our behalf had previously reported adverse action.
6. Any patient statements returned as undeliverable for incorrect address will be investigated for correct address with the intent to obtain a correct address. If the patient whereabouts are unknown, the account will be treated as a bad debt account at the end of the billing cycle.
7. If during the cycle of sending statements, it is determined that the patient is deceased, the collection staff will verify with the register of wills to determine if the patient has an estate. If the patient has an estate on file, the necessary papers will be completed to file a claim to the patient's estate for the purpose of obtaining payment from the estate. If the patient does not have an estate, the balance on the bill is written off to Estate Charity.
8. Collection staff will be responsible to monitor bankruptcy claims. Bankruptcy accounts will be written off upon receipt of discharge of debtor notification from the court system.
9. WMHS will not force the sale of an individual's patient's primary residence, foreclose on an individual's property, or place a lien on personal property or individual's bank account to collect on an outstanding medical debt.
10. WMHS will not sell patient debt to any other party.
11. WMHS will not charge interest on patient accounts incurred by self-pay patients.

*Addendum: Collection Agency Listing*

APPROVAL

Director, Patient Financial Services – Trivergent Health Alliance

Sr. Vice President, Chief Financial Officer

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**ADDENDUM**

**SELF PAY CONTRACTS**

Credit Management Company 2121 Noblestown Road Pittsburgh, PA 15205	Accounts distributed by Alpha Split L-Z
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Credit Bureau Collection Services 1161 E. Clark Road, Suite 240 Dewitt, MI 48820	Accounts distributed by Alpha Split A-K
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**COLLECTION AGENCY CONTRACTS**

Nationwide Credit Corporation P.O. Box 9156 Alexandria, VA 22304	(Legacy Accounts)
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Collection Service Center 138 Baltimore Street Cumberland, MD 21502	( Legacy Accounts)
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Credit Management Company 2121 Noblestown Road Pittsburgh, PA 15205	Accounts distributed by Alpha Split A-K
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Credit Bureau Collection Services 875 Greentree Road Pittsburgh, PA 15220	Accounts distributed by Alpha Split L-Z
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# Document Information

## Document Title

Accounts Receivable Collection Policy

## Document Description

N/A

## Approval Information

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