

Patient Billing and Collection Policy

DEPARTMENT: Hospital Patient Accounts

EFFECT. DATE: 5/1/2008

REVISION DATE: 10/01/2020

I. POLICY STATEMENT:

Inpatient and outpatient accounts will be transferred to external collection agencies as soon as it is determined that the account is non-collectible and it meets the Holy Redeemer Hospital and Medical Center (HRH) criteria for external collection transfer.

II. PURPOSE:

To establish guidelines and procedures for transferring patient responsibility balances to third parties for resolution. These accounts will generally be sent to an external collection agency, but HRH may elect to send selected accounts to attorneys.

III. SCOPE:

Holy Redeemer Hospital and Medical Center.

IV. PROCEDURE:

Transfer to External Collection Agency by Account Balance

- 1) Account Balance up to \$5,000
 - a) Can be transferred to External Collection Agency by any internal collection representative provided there is required documentation noted on the patient account. The documentation required is at least three statements or collection letters to the patient that have not been responded to by the patient.
 - i) Accounts can also be transferred to External Collection Agency if, during a conversation with a patient or by written correspondence from a patient, they refuse to pay. The refusal must be clearly documented on the patient account.
 - ii) Accounts can also be transferred to Bad Debt if attempts to contact the patient have resulted in returned mail, and no forwarding address can be determined.
- 2) Account Balance \$5,000.00 to \$25,000.00
 - a) Approved by the Manager, Patient Collections and Director, AR Hospital.
- 3) Account Balance \$25,000.00+
 - a) Approved by the VP, RCM and CFO.
- 4) Timeline to qualify for transfer to an external collection agency:
 - a) HRH must have sent at least three statements to the patient concerning a balance due on the account. The statements may be sent by either HRH or its vendor.
 - b) The date of transfer to the External Collection Agency must be no less than 120 days from the date that the first statement was sent to the patient.

- 5) An account may be transferred to External Collection Agency immediately without meeting the qualifications in 4a above if:
 - a) The patient is identified as having a bad address on file and mail has been returned as undeliverable.
 - b) The patient has communicated a refusal to pay the balance owed to a hospital representative.
 - c) In either case above, the account must be documented as to the specifics of the exception to the bad debt timeline.
- 6) External Collection Agency first placement agencies will return accounts after working the account for 180 days unless installment payments are being received or payments have been promised.
 - a) Accounts returned due to patient deceased no estate, patient bankruptcy, accounts eligible for financial assistance/charity care (per the HRHS Financial Assistance for the Uninsured/Underinsured) will be closed from the first placement agency and not be transferred to a second collection agency.
- 7) HRHS will transfer accounts closed by a first placement agency to a second placement agency unless meeting criteria in #6a above.
- 8) Accounts will be sent to second placement external collection agency after return from the first placement agencies.
- 9) Transfer of Accounts to Attorneys
 - a) Patient Account balances above \$5,000.00 will be reviewed for placement to attorneys for collection in lieu of sending to a second external collection agency after return from the first placement agency.
 - b) Patient accounts may be transferred to an attorney for resolution at the discretion of HRH.
 - c) The Director of PFS, or designee, will approve each account prior to referral to the attorney.
 - d) Any lawsuit recommended by the attorney will require the prior consent of the CFO. Liens against personal property may result from a suit against a patient.