



Original Issue: 01/1999
 Approved: 04/2019
 Last Revised: 05/2009
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 Department: Administration
 References:

Credit and Collection

Policy:

Riverside Medical Center is a private, not-for-profit community hospital. Riverside is dependent upon income from services to patients to meet day-to-day operating expense, replacement of worn out and obsolete equipment and expansion of programs in the rendering of high quality patient care. The following policies are intended to insure timely collection of patient accounts receivable and to minimize financial loss to the hospital. It is not intended that these policies serve as a basis upon which to deny necessary medical services because of the patient's inability to pay. At Riverside, our mission is to provide a remarkable healthcare experience. We do this for each and every person, regardless of their personal or economic circumstances.

Recognizing its community obligations to extend service to all patients and cognizant of the dynamics of current governmental and third party insurers payment policies, the Riverside Medical Center Board of Trustees has adopted a corporate goal for days in accounts receivable for comparable size hospitals as published in Healthcare Financial Management. (Net days in accounts receivable is measured by dividing net accounts receivable by net patient revenue.) All patients are extended credit and are considered able to pay until information is provided that indicates otherwise. Collectability determination will be made either prior to scheduling an appointment, prior to service but after the appointment is scheduled, during an inpatient stay, or within 90 days from discharge. The account will be resolved by either payment in full, a series of payments, charity, Medicaid, ALLKids or Crime Victims application(s), DASA grant, if applicable, Section 1011, other public programs not previously listed or bad debt.

Collectible accounts are those that have third party benefits verified and/or reasonable arrangements have been made to bring the balance to zero. Bad debt accounts are those where the individual responsible has demonstrated an unwillingness to pay. Bad debt accounts will be forwarded to an outside collection agency for collection. Charity care determination is appropriate when the patient has demonstrated an inability to pay. Charity determination may result in reduced monthly payments, flat-rate agreement, sliding scale discount, or full write off.

Riverside Medical Center will adhere to the provisions of Public Act 094-0885, the Fair Patient Billing Act, as will any outside party that is collecting payment on Riverside's behalf. Additionally, Riverside will maintain compliance with Public Act 095-0965, the Hospital Uninsured Patient Discount Act.

Procedure:

The responsibility for the collection of accounts receivable is assigned to the Director of Patient Financial Services. Patient Financial Services staff may consist of various personnel necessary to effectively collect the

Medical Center's accounts receivable.

Advance deposits will routinely be required of patients with no insurance or those patients that will be responsible for out-of-pocket expense prior to service or immediately following services rendered. Payment prior to or at time of service may be waived or reduced for those patients determined to meet our charity guidelines. Advance deposits may be required of those patients that have current accounts in collection, are delinquent on previously established payment arrangements, small co-insurance requirements which are uneconomical to bill such as the Medicaid \$3 per day inpatient co-payment, or when other extenuating circumstances exist that may cause the account to be uncollected. The amount of the deposit, if required, shall be based on the nature of services to be rendered. Advanced deposits may be required from patients seeking non-emergency services that are covered by an out-of-network insurance. This will assist to cover any out-of-network penalties imposed by the patient's insurance and it will assist the patient's understanding that he or she is receiving services at an out-of-network facility. Once an insurance company pays, any balance due will be billed to the patient. Overpayments will be promptly refunded as long as no other open accounts exist for the guarantor or their spouse.

During the admission or as soon as practicable thereafter, the hospital will provide an insured patient with written notice that:

- The patient may receive separate bills for services provided by health care professionals affiliated with the hospital.
- Some hospital staff members may not be participating providers in the same insurance plans and networks as the hospital.
- The patient may have a greater financial responsibility for services provided by health care professionals at the hospital who are not under contract with the patient's health care plan.
- Questions about coverage or benefit levels should be directed to the patient's health care plan and the patient's certificate of coverage.

Third party insurance benefits will be assigned to the Medical Center. Riverside will bill the insurance company, intermediary, or third party administrator. If insurance payments are not received within 30 days from billing, the hospital will notify the patient. Riverside will seek the patient's assistance in securing payment. Riverside will honor all managed care and government contracts and only bill those patients for the amounts deemed appropriate under the terms of the contract. Patients covered by an insurance that is not contracted with Riverside Medical Center will be billed for any amount not paid by the insurance company. Patients will also be billed for any inappropriate discounts that their insurance may attempt to access (a.k.a. Silent PPO).

Riverside will not refer a bill, or portion thereof, to a collection agency or attorney for collection action against the insured patient, without first offering the patient the opportunity to request a reasonable payment plan or financial assistance for the amount personally owed by the patient. Such an opportunity shall be made available for a minimum of 30 days following the date of the initial bill. Each invoice will include a statement of payment options and the availability of financial assistance. If the insured patient requests a reasonable payment plan, but fails to agree to a plan within 30 days of the request, Riverside may proceed with collection action against the patient.

Uninsured patients that are scheduled for services will be financially screened prior to the appointment being scheduled. This includes possible med-pay, no-fault or third party liability; Medicaid pending or applications for Medicaid, ALLKids, Crime Victims, a reasonable payment plan, down payment, full payment or the inability to pay. It is not our intent to delay care, but to assist the patient in preparing for their financial obligation or to assist the patient with the charity application process. (The Uninsured Discount is included in the charity application screening process.) Urgent cases will be promptly scheduled and the financial screening will

continue until final arrangements are determined. Uninsured patients that did not schedule an appointment in advance will be asked to pay at time of service. If they are unable to pay, they will be referred to a Financial Counselor. All uninsured patients will receive an itemized bill after the account is finalized. Once the uninsured patient has been billed, they will be given a minimum of 60 days to:

- Assess the accuracy of the bill.
- Apply for financial assistance under the hospital's financial assistance policy, which includes the terms of the Hospital Uninsured Discount Act.
- Avail them of a reasonable payment plan.

Each hospital bill, invoice, or other summary of charges to an uninsured patient shall include a prominent statement that an uninsured patient who meets certain income requirements may qualify for an uninsured discount and information regarding how an uninsured patient may apply for consideration under the hospital's financial assistance policy.

If the uninsured patient has indicated an inability to pay the full amount of the debt in one payment, Riverside will offer the patient a reasonable payment plan.

If the uninsured patient's circumstances suggest the potential for eligibility for charity care, Riverside will allow a minimum of 60 days following the date of discharge or receipt of outpatient care to submit an application for financial assistance.

If the uninsured patient informs us that he or she has applied for health care coverage under Medicaid, ALLKids, or another government-sponsored health care program and if there is a reasonable basis to believe that the patient will qualify for such a program for the date(s) of service in question, Riverside will allow reasonable time for the application process and will not refer to collection, unless the patient's application is denied and the patient does not qualify for the hospital's financial assistance program. Riverside may also use an outside vendor to assist patients with the application process.

Once all of the above conditions are met, any balance determined to be uncollectable due to the patient's unwillingness to pay or due to the patient's unwillingness to apply for assistance will be referred to a collection agency or attorney for collection action against the patient and/or guarantor.

Acceptable financial arrangements may consist of time payments, charity approval, or third party financing. Time payment plan is one where the Medical Center carries the accounts receivable. Time payment plan will require payments on a basis not less than monthly; however no time payment plan will exceed 10 months to bring the principle of the account to zero. The goal is to make arrangements such that the account is brought to zero in 4 months. Any patient needing a time payment plan beyond 10 months will require approval by the Patient Financial Services Coordinator. If any time payment plan account becomes delinquent, all cost of collection may be added to the original account balance, including court costs and attorney's fees. Third party financing may be through local bank, credit union, finance company, or credit card. The Medical Center may facilitate third party financing arrangements and may accept recourse with the third party lender.

Non-cash credits to accounts receivable resulting from bad debt and charity care determinations require authorization by the Director of Patient Financial Services. Charity care determinations greater than \$5,000.00 require authorization by the Chief Financial Officer.

No collection agency, law firm, or individual may initiate legal action for non-payment of the hospital bill against any patient without the written approval of the Director of Patient Financial Services.

Riverside will not pursue legal action for non-payment of the hospital bill against uninsured patients who have clearly demonstrated that they have neither sufficient income nor assets to meet their financial obligations

provided the patient has complied with the patient responsibilities listed below.

External collection agencies, law firms or individuals contracted by Riverside to obtain payment of outstanding bills have agreed in writing to comply with Public Act 094-0885, also known as the Fair Patient Billing Act.

To receive the protection of the Fair Patient Billing Act, a patient responsible for paying a hospital bill must act reasonably and cooperate in good faith with the hospital by providing Riverside personnel with all of the reasonably requested financial and other relevant information and documentation needed to determine the patient's eligibility under our financial assistance policy and reasonable payment plan options to qualified patients within 30 days of a request for such information.

To receive the protection and benefits of the Fair Patient billing Act, a patient responsible for paying a hospital bill shall communicate to the hospital any material change in the patient's financial situation that may affect the patient's ability to abide by the provisions of an agreed upon reasonable payment plan or qualification for financial assistance within 30 days of the change

Edit History*:

- Kay Senesac edited this document on 05/05/2009
- Mary A Schore edited this document on 02/18/2004
- Marta Campbell edited this document on 01/05/2004
- Marta Campbell-Hafer edited this document on 11/19/2001
- Sharon L Corzine edited this document on 11/16/2000
- Sharon L Corzine edited this document on 11/16/2000

*This list references the last person to edit the document prior to submission for each time this document has been submitted. Only the past ten submission edits are shown.

LOTUS REFERENCE NUMBER:

RHC-ADM950-01-0014-V05

All revision dates:

05/2009, 02/2004, 01/2004, 11/2001, 11/2000

Attachments:

Approval Signatures

Approver	Date
Pamela Hull: Administrative Assistant	04/2019