



Uvalde Memorial Hospital

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Date Of Review: 08/2016
Date Of Revision: 08/2016
Expires: 08/2019
Owner: Claudia Falcon: Financial Services Director
Policy Area: Business Office

Credit And Collections

SCOPE:

Business Office/Admissions/Accounting/Social Services/Administration

PURPOSE:

The Credit and Collection policy will provide direction to staff members in their interaction with patients and guarantors while ensuring the protection of the system's cash flow and customer satisfaction.

POLICY:

Uvalde Memorial Hospital's (UMH) Credit and Collection policy is designed to comply with both the State of Texas rules on "Credit and Collections" policies and the Federal Healthcare Reform Law's as it relates to "Financial Assistance" policy requirements as defined by the Internal Revenue Service 501(r). UMH will uphold financial stewardship responsibility by developing a credit collection policy to ensure compliance with applicable required criteria under the following: Texas Fair Debt and Collection Practices Act; the Centers for Medicare and Medicaid Services Medicare Bad Debt Requirements (42 CFR 413.89); the Medicare Provider Reimbursement Manual (Part 1, Chapter 3) and the internal Revenue Code Section 501(r) as required under the section of the Federal Patient Protection and Affordable Care Acts (Pub.L. No 111-148).

UMH is the frontline caregiver providing medically necessary care for all individuals, regardless of ability to pay. Our staff is ready to provide care to all patients 24 hours a day, 7 days a week (365 days a year). Our Financial Counselors and Social Service Intake Workers are readily available to assist patients and/or family members in obtaining financial assistance, from public programs such as, Medicaid, County Indigent, Healthcare Market Place, or other resources. Uvalde Memorial Hospital's policy requires payment for services rendered. The Hospital will submit claims to third party payers for payment. Any "self-pay" portion is due within 30 days of receipt of service. For purposes of this policy, "self-pay portion" is defined as non-covered services, co-payments, co-insurances, and deductibles. It also refers to amounts owed by individuals without insurance.

Philosophy:

Uvalde Memorial Hospital is committed to providing the highest quality of healthcare services to all patients in a cost-effective manner. In order to attain this objective, it is essential that UMH receive payment for services provided. Unpaid accounts result in increased costs to the hospital that must be borne by the patients who pay their accounts.

As both governmental and managed care payers decrease reimbursement, UMH must avoid potential bad debt by operating under a prudent and effective payment policy. Informing the patient of deductibles, co-pays, coinsurance amounts, and other patient responsibility amounts not only reduces bad debts and related billing costs, but also provides for a path of consistency in collections.

UMH will submit hospital claims to insurance companies according to the guidelines listed herein. Complete billing information must be presented at time of registration/ admission. The hospital reserves the right, where agreements with payer are not to the contrary, to determine the length of time before payment of the account becomes the responsibility of the patient and their guarantor due to the lack of timely payment from the insurance company. At no time, however, unless agreed to with the insurance company to the contrary, will an anticipated insurance payment override the patient's obligation to pay the balance outstanding.

Patients and guarantors may request an itemized bill, which is normally available five (5) to seven (7) working days after discharge, by contacting Customer Service in the Business Office. UMH, like most other hospitals, no longer routinely sends itemized bills to patients due to the high cost of forms and mail expenses, complexity of itemized hospital charges, and the fact that most patient co-pays, deductibles, and co-insurance amounts are normally based on the account's aggregate charges, or other method, rather than individual charges. The guarantor shall receive a monthly statement that provides an account status and lists any activity occurring since the last statement. Every effort will be made to assure that every statement is accurate and easily understood by patients.

A. Treatment

1. All emergent and urgent services will be provided without regard to ability to pay. Payment is due at the Admission Department when service is rendered.
2. If mitigating circumstances necessitate, credit will be extended for a maximum of six (6) months for clinic, referrals, and emergency room, and twelve (12) months for inpatient services, outpatient procedures; ie, cath lab, hyperbaric, outpatient surgeries, and endoscopies.
3. Exceptions to the time frame for payment will be determined on a case by case basis and will require approval of the Chief Financial Officer.
4. Where credit is extended, patient is to sign a promissory note for the full estimated amount due and be provided a copy of the note (patients w/excellent credit history will not be required to sign prom note).
5. All pertinent information will be obtained from the patient/guarantor prior to the granting of credit.

B. Responsibility

1. The patient/guarantor is responsible for payment of the account balance at time services are rendered.
2. The spouse and parents will be responsible for medical bills of the other spouse or child.
3. The amount of responsibility is full balance of the account including any insured amount.
4. If patient expires, the collector may request payment from surviving spouse, but cannot obligate them to pay the outstanding balances.

C. Itemized Bills/Statements

1. Uvalde Memorial Hospital must provide an itemized bill to the patient/guarantor within 10 business of request. (Itemized bills will be available within 7 days post discharge/date of service)

2. The patient/guarantor shall receive a monthly statement that provides an account status and lists any activity occurring since the last statement. Every effort will be made to assure that every statement is accurate and easily understood by patients.

A. Pre-Registered

1. Patients who are pre-registered for scheduled services (i.e. Radiology, Rehabilitation Services, Wound Care, Day Surgeries, Sleep Studies, scheduled Inpatient Admissions, etc...) will have the opportunity of financial counseling at the time of pre-registration or by phone before the date of services.
2. Various options for payment will be discussed and arranged before the service date.
3. Individuals displaying a need for financial assistance will be routed to Social Services for application in the most appropriate program(s).
4. Deposits may be required.

B. Deposits

1. Deposits are requested for all estimated balances that are not covered and assigned under an insurance policy (i.e. Co-insurance, deductibles, and non-covered services).
2. Arrangements may be made to waive this requirement when the patient/guarantor requests a delayed deposit and has a good credit history with the organization, shows good faith, or makes alternative and acceptable arrangements.
3. Minimum deposit of 20% of patient estimated out pocket expense will be required. Exceptions to this requirement will be reviewed on a case by case basis and will require approval by the Admissions Department

C. Discharge

1. All patient discharges are initiated by the nursing Staff through the Information System and cleared by the Admissions Department.
2. If needed, Admission Staff will verify that patient/guarantor has had a financial screening; if screening has not been completed, Admission Staff will contact Social Services to complete the screening.
3. If patient/guarantor does not qualify for any programs through the financial screening, Admission Staff will arrange to collect the required deposit and make necessary payment arrangements.
4. Courtesy discharge status is provided to those patients who have 100 percent third-party coverage (verified), no delinquent accounts, and/or have already arranged for payment.

D. Delinquent Accounts

1. Upon readmission, patient/guarantor will be required by Admission Staff to make acceptable arrangements for any delinquent accounts.
2. Delinquent balances are any balances unresolved within 60 days from the Date of Service.
3. If needed, patient/guarantor will be referred by Admission/Business Office Staff to the Financial Counselors for financial screening.
4. The Early Collection Agency will pursue collections on delinquent accounts up to 91 days.

• Prohibited Debt Collection Methods

- In debt collection, a debt collector may not use threats, coercion, or attempts to coerce that employ any of the following practices:
 - Using or threatening to use violence or other criminal means to cause harm to a person or property of a person;
 - Accusing falsely or threatening to accuse falsely a person of fraud or any other crime;
 - Representing or threatening to represent to any person other than the consumer that a consumer is willfully refusing to pay a non-disputed consumer debt when the debt is in dispute and the consumer has notified in writing the debt collector of the dispute;
 - Threatening to sell or assign to another the obligation of the consumer and falsely representing that the result of the sale or assignment would be that the consumer would lose a defense to the consumer debt or would be subject to illegal collection attempts;
 - Threatening that the debtor will be arrested for nonpayment of a consumer debt without proper court proceedings;
 - Threatening to file a charge, complaint, or criminal action against a debtor when the debtor has not violated a criminal law;
 - Threatening that nonpayment of a consumer debt will result in the seizure, repossession, or sale of the person's property without proper court proceedings; or
 - Threatening to take an action prohibited by law.
- A debt collector may;
- Inform a debtor that the debtor may be arrested after proper court proceedings if he debtor has violated a criminal law of this state;
 - Threaten to institute civil lawsuits or other judicial proceedings to collect a consumer debt; or,
 - Exercise or threaten to exercise a statutory or contractual right of seizure, repossession, or sale that does not require court proceedings.

A. Delinquent Insurance Balance

1. Any insurance claim outstanding for more than 60 days will become the responsibility of the patient/guarantor (except where prohibited by contract).
2. The patient/guarantor may be requested by the Insurance Biller/Collector to assist in the follow-up process prior to 40 days.
3. State laws governing clean claims processing timeliness will be strictly enforced, as well as contract terms for claims turnaround.

B. Third-Party Litigation

1. Uvalde Memorial Hospital will supply all documents needed as requested by the patient/guarantor or his or her representative in pursuing litigation against another party (i.e., automobile accident).
2. When applicable the Account Representative will submit request to file a Lien (Filed Liens must meet the requirements stated in Chapter 55. Hospital & Emergency Medical Services Lien)
3. Please refer to other discounts under the Billing Section
4. Any outstanding balance regarding that account will be due in full following routine insurance filling.
5. Should the account remain unpaid, it may be referred to an attorney or agency for legal representation, and all applicable collection costs will be added to the account balance.

C. Bad Debt

1. Although the age will vary somewhat from account to account due to the various elements contained in the file, the average period of time for in-house follow-up is less than 120 days.

2. Credit reports will be updated by our collection agent 30 days following the assignment on all non-paid balances.
3. Early out agency will work the accounts for a minimum of 90 days. All un-paid accounts will be returned to Uvalde Memorial Hospital at 91 days. The Early out Collection Agency will inform the patient that the account will be outsourced to an external collection agency, and will be transferred from accounts receivable to bad debt. Upon receipt of the un-paid accounts returned by the Early Out Agency, the Patient Account Representative will outsource to the appropriate Collection Agency. The Collection Agency after working the account an additional 60 days deems the account to be uncollectible will return the account to the Hospital. Medicare accounts will be logged for cost reimbursement once the account has been returned, the collection agency has deemed the account to be uncollectible, and a minimum of 120 days from first notice has lapsed.
4. When an account has an insufficient address and phone number and all attempts have been made to secure a sufficient address without results on accounts other than those with good credit, the account will be written off to bad debt at the end of 90 days of date of service.
5. The Board must first approve all cases before being brought to litigation. The patient/guarantor will be billed for legal fees as they apply.

D. Payment Terms

1. Patient/guarantor may pay with cash, check, credit card, or payment plan.
2. The patient/guarantor must select one of the above methods of payment and apply for all appropriate programs such as County Indigent, Medicaid, or the Healthcare MarketPlace before applying for the Hospital Financial Assistance Program.
3. Exceptions must be approved by the Patient Financial Services Director.

E. Uncompensated Care

1. Uvalde Memorial Hospital will assist the patient/guarantor in applying for uncompensated care (Charity) and any other funding sources that may be available for which they may qualify.
2. Pre-screening will be conducted at pre-registration or point-of-service for all private-pay accounts that cannot meet the deposit requirements.
3. The Hospital Financial Assistance Program is based on the Federal Poverty Guidelines which is updated annually. Eligibility is determined by a sliding scale that is based on 150% to 200% of the FPG.
4. Presumptive financial assistance may be taken into consideration per episode of care. Please refer to the Hospital Financial Assistance Program policy for more details.

F. Overpayment

1. Any overpayment of accounts balances will be applied to outstanding balances for the same patient or guarantor (family).
2. If there are no outstanding debts, the payment will be refunded in coordination with all parties who made payments creating the credit balance.

G. Medicaid Eligibility

1. Uvalde Memorial Hospital coordinates with the Hospital Social Services offices in the beginning of the application process for Medicaid.

2. Self-pay patient/guarantors will be advised of this option. Inquiries will be handled by the staff and coordinated with the TDHS Hospital based worker.
3. Applications that are pending will be held without collection activity.

H. Confidentiality

1. The staff of Uvalde Memorial Hospital will treat all patients with respect and dignity.
2. All records and information, including knowledge of a debt, will be held in confidence.

BILLING

A. Assignment of Benefits

1. Uvalde Memorial Hospital will file claim forms for all insurances that are assigned to the organization with adequate proof of coverage.
2. The responsible party(s) may be required to assist in the follow-up process of the claim and will be required to make payment if the insurance payer has not resolved a clean claim within 60 days.

B. Uninsured

1. Private pay (aka self-pay) patients will be assisted upon request in applying for Healthcare Market Place, Medicaid or the Hospital Financial Assistance Programs.
2. They will be referred to the Financial Counselors. Deposits may be required, and rescheduling of services may be arranged upon approval of the physician staff.
3. All uninsured patients will be billed directly on a timely basis and will receive a summary bill as part of UMH's billing process and will provide. An itemized statement must be provided to patient within 10 business days of request. (Itemized bills will be available within 7 days post discharge/ date of service)

C. Prompt Pay Discounts

In order to reduce accounts receivable; cost of debt collection; and to boost its cash flow Uvalde Memorial Hospital will offer their patients a Prompt Pay Discount. The discount will be offered to all patients regardless of their financial status, and their ability to pay. The Prompt Pay Discount may be offered to the patients during the normal course of executing financial arrangements

- A. Prompt Pay discounts will be offered to patients making payment in full on their out of pocket expenses. The discount will be awarded according to the following schedule:
 1. Patients paying their out of pocket expense in full at point of service are eligible for a 25 % prompt pay discount on their out of pocket expenses.
 2. Patients paying their out of pocket expense in full within 30days of date of service are eligible for a 10% prompt pay discount.

B. Persons excluded from the Prompt Pay Discounts:

- Uvalde Memorial Hospital Employee's
- Uvalde Memorial Hospital Auxiliary
- Physicians
- Approved applicants for the hospital charity care program

Uvalde Memorial Hospital would not claim the waived amount as bad debt or otherwise shift the burden to the Medicare/Medicaid programs or other third party payers or individuals.

A. Other Discounts

1. Administrative approval will be required for discounts of more than \$5,000 or 25% of the total amount owed.
2. Third parties are expected to pay full charges within the clean claims filing timeliness limits as established by the state.
3. Third party Litigation s discounts will be determined on a case by case basis and approved by the Financial Services Director. Discounts exceeding more than \$5,000 or 25% of the total amount owed must be approved by the Administration.
4. UMH Employee and UMH Auxiliary discounts will be applied, in accordance with the Employee Patient Accounts Policy.

B. Collection Procedure for Deceased Patients:

1. Upon discovering that patient is deceased, Uvalde Memorial Hospital will attempt to collect outstanding debts as follows:
 - a. Spouse will be referred for possible financial assistance if she/he is unable to make payment(s).
 - b. If living spouse is unable to make payment and/or is unwilling to pay on account(s), the collector will pursue patient estate.
2. Upon determination that there is no estate available to cover debt(s), the remaining debt(s) will be considered as a charity write off, with a copy of the original death certificate and letter of probate as supporting documents.
3. Uvalde Memorial Hospital will file a claim on those patients with an estate.

*36857 V.T.C.A., Finance Code § 392.301 VERNON'S TEXAS STATUTES AND CODES ANNOTATED FINANCE CODE TITLE 5. PROTECTION OF CONSUMERS OF FINANCIAL SERVICES CHAPTER 392. DEBT COLLECTION SUBCHAPTER D. PROHIBITED DEBT COLLECTION METHODS Current through End of 1997 Reg. Sess. In debt collection, a debt collector may not use threats, coercion, or attempts to coerce that employ any of the following practices:

1. using or threatening to use violence or other criminal means to cause harm to a person or property of a person;
2. accusing falsely or threatening to accuse falsely a person of fraud or any other crime;
3. representing or threatening to represent to any person other than the consumer that a consumer is willfully refusing to pay a non-disputed consumer debt when the debt is in dispute and the consumer has notified in writing the debt collector of the dispute;
4. threatening to sell or assign to another the obligation of the consumer and falsely representing that the result of the sale or assignment would be that the consumer would lose a defense to the consumer debt or would be subject to illegal collection attempts;
5. threatening that the debtor will be arrested for nonpayment of a consumer debt without proper court proceedings;
6. threatening to file a charge, complaint, or criminal action against a debtor when the debtor has not violated a criminal law;
7. threatening that nonpayment of a consumer debt will result in the seizure, repossession, or sale of the person's property without proper court proceedings; or
8. threatening to take an action prohibited by law.

A debt collector may;

1. inform a debtor that the debtor may be arrested after proper court proceedings if he debtor has violated a criminal law of this state;
2. threaten to institute civil lawsuits or other judicial proceedings to collect a consumer debt; or
3. exercise or threaten to exercise a statutory or contractual right of seizure, repossession, or sale that does not require court proceedings.

REF:

Citations/Title: Page 1: FIN § 392.301, Threats or coercion

Attachments:

No Attachments

	Approver	Date
	Phyllis Dodson: Director	01/2014
	Annabell Verdusco: Administrative Assistant	01/2014
	Phyllis Dodson: Director	06/2015
	Annabell Verdusco: Administrative Assistant	06/2015
	Annabell Verdusco: Administrative Assistant	08/2016
	Abby Vela: Risk Manager/Patient Advocate	08/2016

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