

# Fairbanks Policy and Procedure

<b>Policy Number</b> F 24	<b>Title of Policy:</b> Self-Pay Collection Guidelines	<b>Page</b> 1 of 2
<b>Effective Date:</b> 7/1/12		<b>Supersedes:</b> 2/08

**POLICY**

It is the policy of Fairbanks to provide a structured procedure so that self-pay balances are collected in a persistent and timely manner.

**PROCEDURE**

1. Following the completion of the clinical assessment and after recommendations have been given, the financial counselor will meet with the patient/guarantor to discuss financial responsibility and payment options.
2. An initial deposit of \$4000 for Inpatient, \$2000 for Partial Hospitalization (PHP) and \$1000 for Intensive Outpatient (IOP) must be collected prior to admission unless waived by the Program Director.

A Financial Counselor will advise the patient of the estimated cost of services and go over the following options for payment: a) payment in full, b) establish a payment plan, or c) determine if the patient will qualify for Charity Care. See policy F7 for Charity Care.

3. Payments can be made with cash, personal check, cashiers check, money order, ACH debit, VISA/MasterCard or Discover.
4. If a patient cannot comply with payment in full or a payment plan, a financial evaluation will be completed to determine if the patient is eligible for charity care. The evaluation will be based upon the current year's Department of Health and Human Services Federal Poverty Guidelines. Copies of pay stubs, income tax returns, bill receipts or other pertinent documentation may be requested to assist in determining if a patient is eligible for charity care. See Policy F7 Charity Care for further explanation. In addition, a Charity Care write-off may be given at a later date if documentation is provided. Failure to comply with providing requested information will result in a decline for the request for Charity Care. The Patient Scholarship Fund will not be provided at a later time if documentation is not provided within the initial required timeframe.
5. The patient/guarantor will be informed of the account's self-pay balance via statements reflecting minimal monthly payments required to assist them in maintaining their account in good standing.
6. Accounts will remain in good standing if payments are made within 10 days of the due date.
7. The patient's/guarantor's initial statement is sent to the address listed at the time of discharge upon 30 days after discharge. If the statement is returned as undeliverable, an attempt will be made to trace the address and make a telephone call to the patient. If a deliverable address cannot be located, the account will be prepared for collections and placed with the collection agency.
8. If on the 60<sup>th</sup> day after the scheduled payment was due the account was not made current with a payment, a second statement will be sent. The statement will state that the account is overdue and that payment must be made immediately to avoid collection activity.
9. If on the 90<sup>th</sup> day after the scheduled payment was due the account was not made current with a payment, a third statement will be sent. The statement will also state that the account is overdue and that payment must be made immediately to avoid collection activity.
10. Because Medicare self-pay balances may not be sent to a collection agency for up to 120 days after self-pay efforts are initiated, all accounts are prepared for collections and placed with the agency at 120 days after the date the initial statement was sent. Medicare accounts may be sent earlier if returned due to a bad address but not for failure to respond.

11. Once an account is made current, the account becomes one of good standing and no further collection activity is made. The payment, however, must include any monthly payments in arrears due to not responding to earlier statements.
12. Payment arrangements can be altered from the original agreement. However, obtaining payment in full within 12 months from the date of discharge will be the expectation. Payment agreements that exceed 24 months in length must be approved by the Patient Account Manager.
13. At all times during the process of collection activity, the Business Office will engage in any activity possible to encourage expedited and timely payment on the account. Patients are also encouraged to make payment in full if offered a small prompt pay discount (on accounts over \$1000) in exchange for immediate payment. Staff may offer up to a 10% prompt pay discount if the account is paid in full within 10 business days from the offer. Prompt Pay discounts of a higher percentage or any other lower negotiated repayment amounts must be approved by the Business Office Manager. No discounts may be offered on deductible or coinsurance expenses.
14. If a patient does not meet the requirements for charity care or does not respond to the normal and reasonable collection efforts noted above, then the account is deemed to be uncollectible and is recognized as a bad debt. The patient account is then referred to an outside collection agency. The outside collection agency will consider filing suit, garnishing wages and allowing court ordered body attachments in their collection efforts. If any recovery of bad debt is realized, a bad debt recovery will be recognized by the facility.

<i><b>POLICY REVIEWED</b></i>	x	2012	x	2013	x	2014	x	2015
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