

**Title: Patient Billing & Collection Policy****Date Approved:** 06/30/2020**Policy****Document Owner:** Adam Place (Manager)**Approver(s)** James Hohl (Director)**Version #:** 2**Printed copies are for reference only. Please refer to the electronic copy for the latest version.****Policy:**

SJH does not exclude any person from admission or treatment due to inability to pay for medically necessary services. Patients with the ability to pay, in whole or in part, will be expected to pay for services rendered to the fullest extent possible and/or allowed by law through third-party insurers or through private assets.

Patients who have not met past financial obligations to SJH, and who fail to cooperate with Financial Screening or Alternative Payment Arrangements, may be required to make a good faith effort to comply with SJH requests prior to scheduling any Non-Emergency Services.

**A. PAYMENT RESPONSIBILITY**

SJH recognizes that the patient, or legal guardian in the case of a minor or legal incompetent, is singularly responsible for full payment of all charges incurred for his/her services. The assignment of insurance benefits to SJH does not eliminate the patient's or other responsible party's liability for any or all charges for services rendered (except as may be agreed to in applicable insurance contracts), nor does the acceptance by SJH of any such assignment constitute an acknowledgement either expressed or implied that amounts so covered relieve the responsible party's responsibility of primary liability.

SJH reserves the right to exercise all legal collection methods, including the imposition of late fees, interest, lawsuits, and the assignment to outside collection agencies, to effect payment of delinquent patient accounts. SJH will not become involved as a party to disputes arising between patients and insurance carriers over benefits paid or denied, nor will it be responsible to either party in matters involving refunds of over-payments made to either party. Amounts payable from patients are due within 30 days of the initial statement date.

**B. FINANCIAL SCREENING FOR NON-EMERGENCY SERVICES**

At its discretion, SJH may require any patient having no insurance or other valid third party indemnity, or who having such an insurance or indemnity declines assignment of those benefits to SJH, or who has previously been assigned to collection for non-payment of hospital services, to cooperate with Financial Screening prior to scheduling Non-Emergency Services.

**C. ADMISSION REQUIREMENTS**

Any patient who is determined to be in need of Emergency Services will be registered, treated, and stabilized, without prior Financial Screening, regardless of ability to pay.

SJH will pre-register non-emergent patients and verify methods of payment prior to rendering service. It is the responsibility of the patient or responsible party to provide SJH with all information necessary to collect from third party insurers and/or to apply for Patient Assistance, and/or to make acceptable Alternative Payment Arrangements prior to the due date on patient billing.

**D. DISCHARGE REQUIREMENTS****Next Review Date:** 06/30/2023**Document Viewed:** 6/17/2021 9:53 AM**Originating Department:** Revenue Cycle

Page 1 of 4

**Title: Patient Billing & Collection Policy****Date Approved:** 06/30/2020

Patients with verified third party insurance benefits will be allowed a 60 day period after date of billing such third party carrier to receive those assigned benefits. Extension of this time frame will be granted for delays caused solely by SJH. At the end of the 60 days, the patient will be invoiced for the balance due, and the patient is responsible for resolving payment or contractual disputes with their insurance company. SJH's sole responsibility then becomes to provide documents and medical records requested in writing by either party.

Guarantor's will not be held liable for certain balances not billable due to regulatory restrictions under Medicare, Medicaid, TriCare, Worker Compensation, and/or other payers with whom SJH holds such obligation by regulation or contract.

Self-pay patient accounts and balances are due and payable in full by the patient within 30 days of the issuance of the first patient billing statement unless satisfactory Alternative Payment Arrangements have been made in writing.

**E. PRE-SERVICE DISCOUNT**

In non-emergent services, a patient may request and be furnished with an estimate of their service charges and after insurance processing expected out of pocket cost. These are strictly an estimation and do not include any additional services provided from other providers, or additional needed care provided during the course of treatment. Pre-services representatives may offer a prompt pay discount of up to 30%.

**F. PROMPT PAY DISCOUNT**

Payment by cash, personal check and credit/debit card are encouraged. A discount of 10% of the patient liability is accepted if payment in full of the patient balance due is received within 30 days of the issuance of the patient's first billing statement.

**G. EXCEPTIONS**

The SJH Administrator or the CFO may approve exceptions to this Patient Financial Policy when it is in the best interest of SJH. Such exceptions will be documented in writing in the specific patient account.

**H. NEVER-EVENTS**

SJH is committed to waive patient costs associated with never events that could have been prevented in the normal course of care. For example, retained foreign bodies, surgery on the wrong body part, or wrong patient. The hospital will write off charges related to the costs associated with the events in keeping with the recommendations of the National Quality Forum.

**Purpose:**

This policy outlines the financial responsibility of patients for the expenses of services rendered by St. John Health and its Physician Services clinics. It also defines approval levels for recording any reduction to patient liability on the patient account.

**Definitions:**

- **Financial Screening:** Evaluation of the patient's ability to pay by consultation with a representative of SJH's Patient Assistance Team and/or submission of a completed Patient Assistance application.

**Title: Patient Billing & Collection Policy**

**Date Approved:** 06/30/2020

- **Alternative Payment Arrangements:** Any payment arrangement (other than prompt payment in full) which provides for a discounted patient liability and/or payment over time.
- **Non-Emergency Services:** Any service which is not an appropriate medical screening examination or stabilizing treatment performed in the emergency department is a Non-Emergency Service.

**Procedure:**

**A. INSURANCE BILLING**

SJH will bill the primary, secondary, and tertiary insurance carriers on behalf of the patient. Hospital admitting and business office personnel will make every effort to request and obtain accurate and current insurance billing information from the patient, including confirming the insurance name, number, and billing address at each time of admission, copying the insurance card for the patient record, and verifying active coverage with the insurance company. This practice notwithstanding, it is solely the patient's responsibility to assure that SJH has current and accurate insurance information to bill on the patient's behalf, that the patient will fully cooperate in alerting SJH when insurance is refusing payment, will fully cooperate with requests from SJH and/or insurance carrier for additional information, forms, and signatures, and finally that any dispute arising from non-payment of claims must be resolved between the patient and his/her insurance carrier.

SJH will maintain an internal system of processing claims such that the average claim will be assembled, coded, and electronically billed within 14 days of service.

**B. CONTRACTUAL ADJUSTMENTS AND ALLOWANCES**

SJH agrees to honor the adjudication of charges with government, and contracted commercial insurance providers such as Medicare, Medicaid, Blue Cross. When posting insurance receipts from these insurance carriers, the insurer's contractual adjustment will also be posted to the patient account. Any remaining balances, deductibles, coinsurances, and co-pays (except those forbidden by law or contract) will be billed to the secondary insurance carrier or to the patient as a self-pay balance. Contractual adjustments are applied as a deduction from patient revenue.

**C. PATIENT ACCOUNT WRITE-OFFS**

St. John's Health will make every reasonable effort to collect payment in full (subject to applicable laws and insurance contracts), or collect partial payments, or convert accounts to monthly payments on all patient accounts. However, those accounts deemed uncollectible after a thorough collection effort, or by contractual agreement, will be written off the financial accounts, and will not be counted as a financial asset of SJH. All uncollectible or non-contractual write-offs must be approved in writing according to the signature authority level below:

Under \$1,000	Designated Revenue Cycle Staff
>\$1,000 <\$5,000	Revenue Cycle Manager
>\$5,000 <\$10,000	Revenue Cycle Director
>\$10,000	Chief Financial Officer
>\$50,000	Chief Executive Officer
All Risk Management	Risk Manager (>\$10K CFO, >\$50K CEO)

**D. BAD DEBT/ COLLECTIONS ADJUSTMENTS**

Patients and guarantors violating SJH Credit Policy, including failure to pay the full balance due, or to make monthly payments as agreed, will be subject to a collection effort. After a reasonable

**Next Review Date:** 06/30/2023

**Originating Department:** Revenue Cycle

**Document Viewed:** 6/17/2021 9:53 AM

Page 3 of 4

**Title: Patient Billing & Collection Policy****Date Approved:** 06/30/2020

collection effort, if it is determined by the Patient Account Representative that the patient will not pay the balance due, and will not cooperate in the effort to determine if the patient is eligible for a partial or full adjustment of the balance due, then the patient account will be sent to an outside collection agency and will be written off the accounts receivable list in SJH financials.

St. John's will not engage in any extraordinary collection action as defined by 501(r) of the Internal Revenue Service code prior to 240 days after the first post discharge billing statement. Assignment to a collection agency is not considered an extraordinary collection action. Unpaid balances are subject to an adverse report to a credit bureau no sooner than 240 days post discharge billing statement and require a 30 day notice prior to the report.

Patient Assistance will make every effort to ensure that no patient is subject to an extraordinary collection activity prior to a reasonable effort to determine financial assistance eligibility. The Patient Assistance Manager, under the direction of the Patient Financial Services Director, will review accounts due for collections activities to ensure that St. John's policies are followed. The Chief Financial Officer will receive a report of all accounts subject to collection activity and serves for review as well.

Bankruptcies are a special case of this policy. If a patient or guarantor is declared bankrupt by a court order, SJH may not pursue collection efforts nor may it send the account to an outside collection agency. Upon receipt of written proof of the court order, the notice of bankruptcy will be entered into the patient record, and the balance of the account written off.

**Related Documents:**

Patient Financial Assistance Policy

**References:**

501(r) of the Internal Revenue Service Code