

MONTEFIORE ST. LUKE'S CORNWALL
Patient Financial Services
Policy and Procedure Manual

Department: Credit and Collections
Title: Billing and Collection Policy
Date Issued: 2/02
Date Reviewed: 06/19, 10/20, 1/2, 11/22 ,3/23
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Attachments:

Policy No.: CD – 008

Cross Reference:

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Policy:

It is the policy of St. Luke's Cornwall Hospital to refer self-pay accounts to bad debt for further collection activity, after following the self-pay collection process without balance resolution, financial assistance determination, or presumptive charity determination.

Purpose:

To ensure that all self-pay balances, whether pure self-pay, or after insurance balance, are followed up on appropriately, to resolve balances prior to them becoming delinquent, identifying patients in need of financial assistance when possible, and assisting those who need extra assistance in the resolution of their account, prior to their account moving to bad debt for further collection activity.

Procedure:

Following insurance payment and self-pay balance assignment, or finalizing of account for patients without insurance, self-pay accounts are worked by an outsourced vendor, to obtain payment, third party payer information, and/or make payment arrangements with the patient to resolve their outstanding balance. In addition to incoming and outgoing patient calls, the self-pay vendors and/or hospital representatives also assist with the completion of Financial Assistance Applications for patients that express a need. Patient accounts are returned to the hospital at day 120, from date of first patient statement, from our self-pay vendor if the balance remains unresolved and the patient has not requested assistance with their balance. Patient accounts are referred to an outside collection agency within 30 days of being returned for further collection efforts, if the letter series is complete, the balance remains unresolved, and the patient does not qualify for financial assistance. Financial Assistance procedures are documented and maintained separately.

An account may be referred to collections prior to the completion of four-letter series in the following cases:

- Patient/Guarantor advises self-pay representative that they have no intention of paying their bill.
- Patient communication via mail and telephone is unsuccessful due to bad information. One statement will be issued for all account balances and phone calls will be made, in attempt to resolve self-pay balances. Returned mail and disconnected telephone numbers are documented and worked by in house staff. If no accurate information exists on the account after the initial attempts are made, the account may be forwarded to collections prior to completion of the letter series. It is the responsibility of the patient to provide accurate demographic information at the time of service or upon moving.
- Any additional circumstance where the four-letter series cannot be completed prior to the referral or allowancing of a self-pay balance will be reviewed, documented, and completed by management.

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Unresolved self-pay balances are returned to the hospital in a closeout report weekly. Accounts are screened by the self-pay vendor for possible presumptive charity qualifications. Accounts are scored based on an assessment of the responsible individual(s) likelihood to pay and dollar amount. Those accounts scored with a Pay Select score of medium and high will be forwarded to a bad debt agency for additional collection efforts.

St. Luke's Cornwall Hospital uses a total of three collection agencies to service accounts in a bad debt status. Each campus is initially split 50% by alpha letters between two primary agencies to enable result tracking. The collection agencies follow standard collection practices, using the *Fair Debt Collection Practices Act* as a guideline.

Although account balances may move to bad debt following the initial 120 collection period, those accounts which have not been assessed for Financial Assistance may still apply for assistance for an additional 120 days. Collection agencies affiliated with the hospital must follow the same guiding principles as outlined in the hospital's financial aid policy and must cooperate with a patient's intention to apply for financial assistance, even if the account has already placed with their agency.

- Patients will receive 30 days' notice prior to their account moving into a collection agency for failure to pay balance, complete financial assistance, or enroll in/default on an approved payment plan.
- If a patient has requested to complete a financial assistance application within the 240-day applicable time period, their account will be held 30 days to receive a completed application with all proof of income documentation that is required. The patient will then receive a determination either approving them or denying them assistance, within 30 days of receipt.
- Collections are prohibited against any patient who is eligible for Medicaid once the hospital is aware of eligibility.

The primary collection agencies operate under the following general guidelines:

- Telephone and written contact continue with the patient.
- Accounts remain with the primary agencies for a total of six months' time.
- All correspondence, written and verbal is documented in a separate system by the agency. Notes are produced for the hospital upon request.
- After that period, if payment has not been issued, or arrangements made to resolve patient Balance, the account is returned to the facility for adjustment, or further collection activity.

Any account with a remaining balance will be referred to our secondary collection agency for continued collection efforts which may include letters, incoming/outgoing calls, and assisting in the Financial Assistance process, through use of additional propensity to pay scoring. All unresolved accounts will be returned by the secondary collection agency after a period of six months, either as a Charity return, if the account is scored with decibel 8-10, or deemed uncollectable. Each collection agency is required to send a detailed month end statement inclusive of all account payments with patient detail.

Patient payment on an account in a bad debt status may be received by mail direct to the hospital or the collection agency. Payment received at the hospital is posted to the patients account with the daily cash, using procedure codes to indicate a bad debt recovery. Payment made direct to the collection agency will be netted against collection fees due the agency at month end, with net recovery mailed to the hospital cashier.

Accounts sent to collection in error may be withdrawn at the discretion of hospital management, with proper notification and documentation of the account.

NEW YORK STATE/FEDERAL OR HOSPITAL FUNDED STUDIES: Patients who participate in studies or programs due to health-related issues, may not be billed for services rendered on a case-by-case basis (dependent on the program type and sponsorship).

Policy to Be Reviewed: 3/2024