COLUMBUS COMMUNITY HOSPITAL
POLICY/PROCEDURE MANUAL

DIRECTIVE NO: 901-A-1 jcah
ORIGINATING DEPT: Business Office
CR: FOMC CMC

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Department: Business Office
Category: Policy/ Procedures
Subject: Accounts Receivable

PHILOSOPHY

Columbus Community Hospital (CCH) 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 CCH operates under sound financial management, contains costs, and receives 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, CCH must avoid potential bad debt by operating under a prudent and effective policy. Informing the patient of deductibles, co-pays, co-insurance amounts, and other patient responsibility amounts not only reduces bad debts billing costs, but also provides for a path of consistency in collections.

PURPOSE

1. **Recordkeeping:** to classify and summarize, in a significant manner and in terms of money, the financial transactions entered into by the Hospital and interpret the results thereof.
2. **Providing direction:** to staff members in their interaction with patients and guarantors while ensuring the protection of CCH's cash flow and customer satisfaction.

ACCOUNTS RECEIVABLE POLICY

1. Emergency Department Services will provide a medical screening and if through medical screening the encounter is deemed a true emergency, services will be provided without regard to ability to pay.
2. Patients with insurance coverage will be asked to assign payment of services from the carrier to the hospital. Patients who refuse to assign benefits to Columbus Community Hospital will be processed as self-pay patients. Except where prohibited by contract, CCH Hospital reserves the right not to accept assignment of insurance payments.
3. Excluding Emergency Department Services, amounts not covered by Insurance are expected to be paid at the time of service.
4. Financial Clearance is required for all pre-registered or scheduled services. Deposits may be required.
5. Every resource shall be utilized to determine, prior to or at the time of service, a patient's capacity to provide full payment for services rendered by CCH.

FINANCIAL CLEARANCE

1. **Pre-Registered Services:** Patients who are pre-registered for scheduled services (Radiology, Day Surgeries, scheduled Inpatient Admissions,

etc.) will have the opportunity for financial counseling at the time of pre-registration or by phone before the date of services. Various options for payment will be discussed and arranged before the service date.

2. **Services Not expected to be paid in full by Insurance:** If a medical service is not expected to be paid in full by insurance, the amounts due from the patient or guarantor will be payable in full at the time of discharge of the patient.
3. **Inability to Pay:** In the absence of a patient's ability to fully satisfy these charges, either through personal funds or insurance coverage, the patient will be screened for possible eligibility for governmental assistance through programs such as Medicaid or the Colorado County Indigent Program. Proof of eligibility denial may be required.
4. **Non-eligibility for Governmental Assistance:** In the absence of eligibility of subsidy through governmental programs, the hospital will entertain the possibility of providing charitable service. For the hospital to consider providing charitable service the patient is required to provide sufficient information to justify such consideration, as outlined in the Financial Assistance Policy.
5. **Non-eligibility for charitable services:** all patients will be expected, through whatever resource, to resolve the indebtedness incurred as a result of services provided by Columbus Hospital. All charity care must be approved by the Business Office Manager and/or Chief Financial Officer.

DEPOSITS

1. Deposits are requested for all estimated balances that are expected to result in a patient balance. Examples of a patient balance include but are not limited to deductibles, co-insurance, and non-covered services.
2. The amount of the cash deposit will be determined by the service for which the patient is being admitted and other factors discovered as a result of the Financial Clearance process.
   a. 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.
   b. Minimum deposit of 20% of patient estimated out of pocket expense will be required, along with a payment agreement when amounts less than the full estimated out of pocket are collected. Exceptions to this requirement will be reviewed on a case-by-case basis and will require approval by the Business Office Manager or Chief Financial Officer.

BILLING

1. **Submission to Insurance:** The Hospital will submit claims to third party payers for payment. Any "self-pay" portion is due within 30 days of receipt of service. Complete billing information must be presented at the time of registration.

2. **Delinquent Insurance Balance:** Except where prohibited by contract, any insurance claim outstanding for more than 60 days will become the responsibility of the patient/guarantor.
   a. The patient/guarantor may be requested by billing staff to assist in the follow-up process.
   b. 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.

COLLECTIONS

1. Should the patient be unable to pay the bill in full at the time of discharge, assistance for making satisfactory arrangements can be made through the Financial Counselor.
2. **Payment Plans:** When there are no other means of satisfying a patient debt to the hospital a Payment Plan may be established.
   a. Balances less than $1000: payable in ninety (90) days or less.
   b. Balances of $1000 or more: payable in 180 days or less.
   c. Payment plans exceeding 180 days require approval by the Business Office Manager or, in the absence of the Business Office Manager, the Chief Financial Officer of the hospital. Terms will be noted electronically on the patient's account.
3. **Itemized Bills:** Pursuant to Texas Senate Bill 490, patients and guarantors will receive an itemized bill within 30 days of discharge or from the date final payment is received from the patient's insurance carrier, whichever is later. The guarantor choose may opt out of receiving an itemized statement or choose, where capabilities exist, to receive the itemized bill electronically.
4. **Statements:** 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. Statements returned with an incomplete or improper address are immediately placed in the "Bad Debt" status and forwarded to an outside collection agency.
5. **Liability Dispute:** If services provided are required as the result of an accident or for any reason from which a dispute as to liability for damages may result, Columbus Community Hospital will continue to expect payment from the patient for services rendered. A lien will be filed by the eligibility verification company.
6. **Overpayments:** Any overpayment of accounts balances will be applied to outstanding balances for the same patient or guarantor (family). If there are no outstanding debts, the payment will be refunded in coordination with all parties who made payments creating the credit balance
7. **Returned Checks:** A $25.00 Service Charge for all returned checks and is collected as miscellaneous cash.

COLLECTION OF DELINQUENT SELF-PAY BALANCES

1. Upon presenting for services, patient/guarantor will be required to make acceptable arrangements for any delinquent accounts. Delinquent

balances are any balances unresolved within 60 days from the Date of Service. If needed, patient/guarantor will be referred to a Financial Counselor for financial screening.

2. Every effort is made to collect past due accounts by use of letters, statement and personal contact. After exhaustion of these means and in the absence of any definite commitment to satisfy indebtedness on a timely schedule, it is the intent of the administration of CCH to utilize all resources, including litigation, to insure the collection of such indebtedness.
3. Accounts that remain unpaid at 90 days after discharge will be flagged for review.
4. Accounts that remain unpaid at 120 days after discharge will be referred to an outside collection agency.
    a. All accounts submitted to a third-party collection agency, including any interest of service, finance or similar charge added thereto, cost of third-party collections will be deemed assigned for collection.
    b. The third-party collection agency has full authority to collect & receive all amounts due on accounts assigned to it for collection.
    c. Minimum balances forwarded will be $40.00 per account.
    d. Upon receipt of any payment on accounts assigned to Corpra Care for collection, CCH will notify third-party collection agency of such payment.
    e. Accounts will be returned to CCH after 90 days of no activity.
    f. Accounts assigned to a collection agency must be approved Business Office Manager prior to placement.
5. **Litigation Process** Claims may be made through the Colorado County Clerk's Office.