



Credit and Collection of Accounts Receivable Policy

The collection of Accounts Receivable involves the interaction of several departments. Admissions, cashiers, medical records, billing, and financial services are vital to the success of the Linton Regional Medical Center's credit and collection activity. The following policy and procedure states the basic requirements of the Linton Regional Medical Center's credit and collection effort.

Purpose

As a healthcare provider and tax-exempt organization, The Linton Regional Medical Center is called to meet the needs of patients regardless of their financial abilities to pay for services provided.

In addition, the Linton Regional Medical Center is designated as a charitable (i.e., tax exempt) organization under Internal Revenue Code (IRC) Section 501(c)(3). Pursuant to IRC Section 501(r), in order to remain tax-exempt, each tax-exempt hospital is required to adopt and widely publicize its credit and collection policies.

Procedure

- A. The Linton Regional Medical Center will provide, without discrimination, care for emergency medical conditions within the meaning of the Emergency Medical Treatment and Labor Act (EMTALA) section 1867 of the Social Security Act to individuals regardless of their ability to pay.
- B. All patients are requested to assign their insurance benefits to the Linton Regional Medical Center. Those who refuse to assign must make arrangements to pay their balance as follows:
 1. Patients having an "elective" procedure must pay their balance in full or a minimum of 50% of the balance at admission or registration.
 2. Acute care patients must pay their balance upon receipt of statement and/or immediately following third party payment; arrangements are made in the Business Office.
- C. Upon admission and within the collection process, reasonable efforts are made to discuss payment options including the Community Caring Program with self-pay patients by the Business Office Manager. If payment is made in full, the Linton Regional Medical Center will give a 20% discount. Monthly payments may be an option if the guarantor is not able to meet either of these options.
- D. All co-payments are due upon time of services. Co-payments can be collected by the Registration personnel.
- E. The responsible party is the guarantor of payment for all services regardless of the assignment of insurance benefits. Specific questions on the financial arrangements and assistance and charges should be referred to the Business Office Manager.
- F. All self-pay balances (patients that do not have benefits due from a third-party payer) are due immediately upon receipt of statement. The Linton Regional Medical Center does offer the following payment options:
 1. Account balances less than \$100 are payable in full



2. Account balances from \$101 - \$500 require \$100 monthly payments
3. Account balances from \$501-\$1,000 require \$150 monthly payments
4. Account balances from \$1,001 - \$1,500 require \$200 monthly payments
5. Account balances exceeding \$1,500 will require financial approval

- G. Monthly statements are issued for all patients as soon as possible after discharge or when requested.
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- I. Patient accounts are billed monthly. The monthly payment options are printed on the back of all statements. The guarantor has three statements sent to them in which to pay the account in full or make satisfactory arrangements for payment. After three statements have been sent with no payment, the account is sent to Business Office Support Services (BOSS) to make phone calls and set up monthly payments. If BOSS is unable to contact the guarantor, the account will be sent back to the Linton Regional Medical Center. The account is immediately sent to a collection agency if there is no response from the patient/guarantor.
- J. It is the policy of the Linton Regional Medical Center to file a claim against any estate owing a balance for services rendered.
- K. Any communication with a guarantor for any reason requires an entry to the guarantor's log. This includes calls for itemized statements, questions, or payment, etc. Written correspondence will be filed.

Collection Report

- A. Contact will be established with each patient or account guarantor to ensure a complete file of payer information is available to ensure prompt payment.
- B. Telephone and written contact will be attempted with a guarantor of a delinquent account. All calls must comply with current federal and state regulations regarding collection practices. This will be done with BOSS.
- C. Bad debts will be listed with an appropriate collection agency when approved by the Business Office Manager.
- D. An account is considered delinquent 30 days prior to being turned over to a collection agency. An account is in default once it is turned over to the agency.
- E. Collection agencies will be selected based upon their ability to perform.
- F. When approved by the Business Office Manager, legal action will be initiated by the hospital as necessary to collect receivables or to recover bad debts.

Approved Insurance Program

Those insurance companies which honor an assignment of benefits and are licensed by the state insurance



commissioner will be deemed approved carriers.

Itemized Statements

Attorneys, Insurance Representatives, and Insurance Claim Adjustors may be provided with an itemized statement when the request is accompanied by a written authorization which has been signed by the account guarantor and whose date is within 60 days of the request date.

Disputed Claims

Any dispute regarding the cost of hospital services will be referred to the Business Office Manager. All settlements will be approved by the Business Office Manager in keeping with the Linton Regional Medical Center policies. All patient care disputes are forwarded to the Quality and Compliance Manager. If necessary, disputed claims will be referred to the CEO of the hospital.

Refunds

Refund payments to individuals will be made only after settlement of all previous bad debt accounts and active accounts. All refunds must be approved by the Business Office Manager according to the Linton Regional Medical Center policies.

Inquiries

- A. Requests for itemized statements are normally handled by the Business Office Manager and billing department. These requests are logged into the system for future reference.
- B. On disputed accounts, the call should be referred to the Business Office Manager, and in the absence the call should be referred to the CFO or CEO.
- C. If terms for payment have been established or arrangements previously made, the following apply:
 1. If payment is received is less than the established amount, the guarantor will receive a default letter.
 2. If the account is with a collection agency, the collections representative must verify if any additional legal fees or charges have been added to the account and if the agency will accept the payment.

Billing of Insurance Claims

All claims to insurance companies will be sent in the mail or electronically filed after the final diagnosis information is available and signed by the provider. In cases where a lack of diagnosis, proper form or other deficiency delays the billing procedures, the Business Office Manager shall be notified of the discrepancy.

Information Requirements

- A. Patient registration personnel will obtain all necessary information for each account.



1. Data to be included:

- a. Patient's full name
- b. Patient's address
- c. Patient's phone number
- d. Patient's social security number
- e. Guarantor's above information if applicable
- f. Emergency contact name and phone number
- g. Insurance coverage for current registration

B. Registration personnel will scan copies of driver's licenses and insurance cards whenever possible.

C. Any data or paperwork lacking after registration must be secured by the Registration personnel.

Inquiry to Insurance Companies 60 days after Billing

Insurance companies which have failed to pay within 60 days after billing will be contacted. If no reply is received, the account will be changed to self-pay and the guarantor will be notified by statement.

Identification of Financial Assistance Patients

If anyone expresses a belief that they are eligible for financial assistance, the request shall be brought to the attention of the Business Office Manager. The individual will be asked to complete the appropriate application form for the Community Caring Program.

Procedure to Establish Payment Plan

- A. Registration personnel request the responsible party to sign the admission agreement and will answer any general questions on the hospital's payment policy. Requests for arrangement of specific settlement information or financial assistance should be referred to Business Office Manager.
- B. All data and documentation of the contact and its outcome should be documented on the Computer Log.

Credit Granting

Purpose

This policy and procedure is designed to assist patients receiving services or equipment who are unable to meet the Linton Regional Medical Center established payment policies for self-paying balances. (e.g., deductibles, coinsurances amount, non-covered, total self-pay claims).

Payment Methods and Other Resources

- A. Cash and checks – The Linton Regional Medical Center will accept United States Currency and coin as payment for services. Foreign currency will not be accepted. Customers will be directed to a local bank for currency exchange. Personal checks are accepted but must be pre-printed with the payer's name and



address, the bank name, branch, and address. Certified checks, cashiers checks, bank drafts, money orders and traveler's checks are also accepted.

- B. Credit Cards – The Linton Regional Medical Center accepts credit cards for payment of hospital and clinic services. Credit card payments will be accepted upon approval of issuing authority and subject to the credit cards restrictions.
- C. Medical and External Financial Aid – The Linton Regional Medical Center may assist the guarantor to secure alternative medical assistance and financial aid available through Federal, State and Local agencies. Examples may include Medicare, Medicaid, Disability and VA.
- D. Financial Assistance – If a patient is unable to meet any of the above options, they may qualify for discounted services based on their ability to pay through the Community Caring Program. Discounts are based on family size and annual income.

Regular Payments

The Linton Regional Medical Center will offer a payment plan after all other options have been discussed. See above section “**Procedure**” item “**G**”.

Reduced Payments

The following policy pertains to self-pay balances remaining following insurance payments. If the responsible party is unable to pay the regular amount, they will be considered for a reduced payment plan after complying with the following procedure.

- A. A budget/financial statement will be required to be completed. The guarantor should supply a copy of their most recent income tax return along with the most current three months of income and bank statements.
- B. Based on review of the budget/financial statement, the Business Office Manager and CFO will establish a reduced payment term appropriate to the parties' financial condition.
- C. No monthly payment should be less than one-third of the balance or \$25. Exceptions may be made with the Business Office Manager and CFO.

Self-Pay Discount

Prior to service provided. If the patient makes prompt payment (payment in full) prior to the services, they would be eligible for a 20% discount. If additional charges are applied to that visit, the 20% discount would extend to any remaining balance which is paid in full within 30 days of the first statement.

Community Caring Program

- A. It is the mission of the Linton Regional Medical Center to provide healthcare regardless of the ability to pay.



- B. Patients who cannot meet a reasonable payment plan may be considered for financial assistance through the Community Caring Program. A reduced payment plan is always the first option before consideration for financial assistance through the Community Caring Program.
- C. The Community Caring approval will require the party's cooperation in supplying information as stated in the Community Caring Program Policy.
- D. Community Caring requests shall be submitted to the Business Office Manager and will be reviewed by the Community Caring Committee. Reasonable efforts will be made to relay Community Caring approval or decisions to the requesting party within five business days.
- E. Based upon the determination, any balances not approved will require financial arrangements as stated above.

Procedure for Billing Accounts

Cycle billing – The Linton Regional Medical Center sends out monthly statements. A guarantor will receive one statement a month.

Procedure for Collection Notice

All guarantors who are delinquent according to the collection's software report will be listed on a collection report and reviewed by the Business Office Manager. These accounts will be reviewed and determined as to whether they should be turned over to a collection agency.

Collection Log

An electronic log will be maintained by the responsible party for all collections activity.