



Dept: Business Office

Title: Payment Plan Alternatives and Collections

Policy: Patterson Health Center (PHC) recognizes the importance of providing general guidelines for the management of accounts receivable. Arrangements with patients/guarantors shall be made as early as possible, which may include prepayment for elective procedures. PHC affirms and maintains its commitment to serve every person regardless of age, race, color, religion, gender, national origin, disability, or whether they are uninsured or underinsured.

Purpose: To ensure a consistent method of collections and presenting payment alternatives to patients.

I. Payment Plans

The following guidelines will be used to determine the level of expected monthly payment amounts. The use of electronic funds transfer/recurring credit card transactions as a method of making monthly payments will be promoted.

Guidelines:

1. Patients/guarantors who are found to have no insurance coverage at the time of service will be referred to the financial counselor or patient account representative to determine eligibility for Presumptive Eligibility under the Medicaid program. If they do not qualify for this program uncompensated care will be offered in accordance with the uncompensated care policy.
2. All co-payments are due at time of service, **with the exception of emergency room services**. Any Patient deductibles, co-insurance or spend-downs not covered by insurance will be due within 30 days. If this is not possible the following financing options will be available.
 - a. Interest free in-house payment plans are available up to a 12-month term. EFT (electronic funds transfer) or recurring credit cards will be promoted as the preferred payment method. The below table outlines the expected payment terms.

TOTAL BALANCE OF ACCOUNTS	MAXIMUM # OF MONTHLY PAYMENTS
\$149.99 and below	2
\$150.00 – \$299.99	3
\$300.00 – \$499.99	6
\$500.00 – \$999.99	9
\$1,000.00 and above	12
Bank Loan is available	Up to 60 months

- b. If the patient/guarantor is not able to meet the above payment terms PHC may offer a bank loan with a reasonable interest rate in conjunction with Kanza Bank. The maximum loan term available is 60 months.
3. If a patient/guarantor with an existing payment plan subsequently receives services at PHC and incurs an additional self-pay balance, the patient's current payment plan may be revised to account for the additional charges.
4. If payment arrangements are not made via one of the options above, after at least 120 days the account will be turned to an outside collection agency.
5. Approved payment arrangements are expected to be paid according to agreed terms to keep the account active and in good standing. If payments are not maintained within the above guidelines the account will be turned to an outside collection agency.

II. Collection Efforts

PHC's collection process is as follows:

Guidelines:

1. If acceptable payment arrangements are not made/maintained or the account is not paid in full within 30 days, the collection process will begin.
2. Approved payments arrangements are expected to be paid according to the agreed terms to keep the account active and in good standing. If a payment is missed or not for the agreed upon amount the account will be turned to an outside collection agency within 30 days.
3. If no formal payment arrangements are made, the patient/guarantor will be referred to an outside collection agency after the receipt of 4 statements or 120 days whichever is later.
4. The collection agency will reach out to the patient/guarantor to pursue payment arrangements.
5. If the patient/guarantor is found to be indigent or living on limited income the account will be referred back to PHC for possible financial assistance through the uncompensated care policy.
6. Patient/guarantor refusing to work with the collection agency in making suitable payments may be subject to possible legal action.

7. The collection agency may list accounts deemed to be bad debts with established credit bureaus. If the account is paid in full this information will be shared with the credit bureaus.

III. Bad Debt

The following guidelines will be followed when referring accounts to bad debt.

Guidelines:

1. It is the policy of PHC to make every reasonable effort to collect all balances owed prior to referral to a collection agency.
2. A thorough review of each account will be completed by the Financial Counselor or Patients Account Representative to determine the collectability of the account. This includes review of insurance information, payments, and comments on the accounts.
3. Once a determination has been made to refer the account to bad debt, the following process will occur.
 - a. A listing of the bad debts will be prepared prior to the end of the month.
 - b. The accounts will be reviewed and approved by the Finance Committee.
 - c. A computerized listing of the bad debt accounts will be sent to the outside collection agency.
4. Any payments received on accounts in bad debt will be posted to the account by the business office.
5. The Revenue Cycle Director will provide written approval for any legal action to be taken by the collection agency.
6. Bankruptcy discharge notices will be faxed/uploaded to the assigned collection agency.