



Origination: 07/2011
Last Approved: 06/2017
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Next Review: 06/2018
Owner: *Jill Dormer*
Policy Area: *Administration - Business Office*
Affected Areas:

Credit and Collections

PURPOSE/SCOPE

Petersburg Medical Center is in the business of providing medical care. Providing medical care requires cash to pay personnel and suppliers. It is only by timely collection of amounts owed to the PMC that the facility will have adequate resources to provide ongoing services.

POLICY

The Credit and Collections Policy establishes the framework within which the Business Office of Petersburg Medical Center (PMC) pursues collection of amounts owed PMC for patient services and the terms under which the PMC will grant credit or permit payment over a period of time.

DEFINITIONS

Business Office : The department within Petersburg Medical Center charged with billing for the services provided by PMC and with collecting of amounts owed to the facility for those services.

Patient/Guarantor/Responsible party : Terms used interchangeably to refer to the person or persons responsible for payment of the services provided.

Self Pay Balance : The balance of a patient account owed by the patient/guarantor either after a third party such as an insurance company or Medicare has paid on the account, or because the responsible party has no insurance or other coverage. **Third Party** : Companies, programs or individuals, other than the patient/guarantor, who have legal obligations to pay on a patient account. Examples of third parties are insurance companies, Medicare, Medicaid, Workman's Compensation programs, the Veterans Administration and individuals (such as in the case of automobile accidents).

PROCEDURE

1. The ultimate responsibility for payment for services provided by Petersburg Medical Center rests with the patient/guarantor.
2. Petersburg Medical Center will accept assignment of payments from Third Party payers by account guarantors and will bill Third Party payers on behalf of guarantors when the guarantor submits adequate evidence of Third Party coverage. Adequate evidence of Third Party coverage means a current insurance card, a Medicare card, a notification of current Medicaid coverage, or similar documentation.
3. The Business Office will respond to reasonable requests from Third Party payers for additional

information on patient accounts after filing the UB04 or Form 1500 on the account. The Business Office Manager will make the determination of what is reasonable. When all reasonable requests of Third Party payers have been filled without an account being paid within 30 days, the entire account balance will become a self pay account.

4. Self pay accounts are eligible to enter into a reasonable payment schedule or to apply for financial assistance in accordance with the Petersburg Medical Center financial assistance policy. As a self pay account the guarantor will be sent two guarantor statements by Petersburg Medical Center. If the balance is not satisfied within 45 days of the dated second statement a notice to the effect that the balance is past due will be submitted to the guarantor and a Petersburg Medical Center billing representative will make a notification phone call to the guarantor .
5. If payment in full or a reasonable payment schedule is not agreed to by the account guarantor within 120 days of the account being classified as a self pay account, the account will be eligible for transfer to a collection agency for follow up collection.
6. The following schedule will be used by the Business Office in establishing a reasonable payment schedule by guarantors. This schedule is modifiable with approval of the Chief Financial Officer:

| Balance Due | Maximum Payment Term |
|-----------------|----------------------|
| Under \$500 | Six months |
| \$501-\$1,200 | 12 months |
| \$1,201-\$2,400 | 24 months |
| \$2,401-\$3,600 | 36 months |
| \$3,601-\$4,800 | 48 months |
| \$4,801+ | 60 months |

7. Petersburg Medical Center has Financial Assistance guidelines for guarantors with limited means to pay. Financial Service Representatives will specifically notify self pay guarantors of the existence of the Financial Assistance guidelines in any instance where the guarantor states or implies a limited means to pay account balances.

AFFECTED DEPARTMENTS

Business Office

END OF POLICY

All revision dates:

06/2017, 03/2015, 05/2014, 08/2013, 04/2013

Attachments:

No Attachments

Approval Signatures

| Step Description | Approver | Date |
|------------------|-----------------------------------|---------|
| | Elizabeth Woodyard: CEO | 06/2017 |
| Policy Committee | Belinda Chase: Policy coordinator | 06/2017 |
| | Jill Dormer | 06/2017 |