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| Patient/Client Collections | **Last Revision:** | September 2015 |
| **Last Reviewed:** | July 2018 |
| **Applies to the following THA Group of Companies:** | * Island Health Care * Island Hospice * Independent Life at Home * RightHealth Clinic * Palliation Choices * Ideal Aging * RightHealth® |
| **Located in the following THA Manual** | Administrative Policies and Procedures  Finance |

#### **POLICY**

It is the organization’s policy to collect all balances due from patients covered by private insurance carriers fairly and equitably and in a manner consistent with applicable laws and rules.

**PROCEDURE**

1. All patients with a balance due will receive a series of reminder letters at the following intervals:
   1. First letter sent at 60 days from the date of service.
   2. Second letter sent at 90 days from the date of service.
   3. Third and final letter sent at 120 days from the date of service.
2. Except for emergencies, patients with accounts more than 60 days overdue must resolve outstanding balances with billing office prior to being seen by a caregiver.
3. Write offs
   1. Patient balances of less than $25.00 will be written off. This $25.00 level is set recognizing that the costs associated with collecting this amount are likely to be greater than the amount collected. This de minimus amount also will not constitute any substantial benefit or inducement to the patient.
   2. Any balances above $25 may only be written off on the recommendation of the billing manager and the approval of the CFO and President & CEO. In such cases, balances are written off only because of financial hardship to the patient, professional courtesy or other extenuating circumstances. The basis for writing off a balance must be documented in the billing record.
4. Referral to collection agency
   1. Accounts that have balances remaining due for more than 150 days, and that have received all three collection letters, are eligible to be referred for outside collection.
   2. The billing manager who will recommend appropriate accounts for collection should review all such accounts. This will include, at a minimum, verifying that the appropriate insurance was billed and that the appropriate collection letters were sent to the patient.
   3. Accounts must be reviewed and approved for collection by the organization’s CFO and President & CEO prior to being submitted to collection.
5. If a review of a patient’s financial situation shows that the only practical solution is a monthly payment arrangement, the Finance department should obtain the patient’s agreement to a realistic monthly payment schedule. In any event, the Finance department should strive to have the account paid in full in the shortest time period.

#### Monthly Payment Guidelines

Patient Liability Payment Time Frame

$ 0 – 150 1 to 3 months

$ 151 - $999 3 to 6 months

$1,000 and greater 10% of the initial total balance per month (set rate to be established)

Any variances from the above schedule will be made only after a thorough evaluation of the patient’s financial situation. This includes completing a Financial Assessment Form