Patient Financial Services Policy

POLICY: Billing and Collection Policy

Purpose: The Billing and Collection policy for Southern Maine Medical Center (SMHC) establishes policies and procedures for the collection of patient accounts, including actions that may be taken by SMHC or associated collection agency partners. This policy is consistent with the standards and expectations outlined in the Billing and Collection policy of Maine Medical Center.

It is the policy of SMHC and associated physician practices to actively collect on outstanding patient balances. These policies comply with all federal requirements, including IRS Code 501r and follow the mission of SMHC’s Patient Centered Care. SMHC will enlist the assistance of its collection agency partners to follow up on outstanding balances that remain unresolved after pursuing reasonable available solutions with patients. These agencies will follow all federal laws associated with the Fair Debt Collection Practices Act, (FDCPA), Health Insurance Portability and Accountability Act (HIPAA) and the standards set forth by SMHC.

A. Third Party Coverage
SMHC will bill all third party payers for the patient or responsible party when the patients or the responsible party has furnished the complete necessary information. Patient Financial Services or designee will follow up on all outstanding claims with the payer prior to billing the patient or responsible party.

If the patient does not supply insurance information at the time of service, but calls at a later date to provide this information, the SMHC customer service team will determine if the period for filing a claim with the patient’s insurance company remains open. If the filing window remains open, SMHC will add the coverage provided by the patient to the claim and bill the identified payer. If the filing window with the patient’s insurance company has closed, SMHC will not bill the patient’s insurance. The patient will have to appeal the claim with his/her insurance company directly. SMHC will work with the patient to assist in the process as needed.

B. Copay Collections
SMHC will collect patient copays in the emergency department after services have been provided. SMHC will collect deposits for scheduled services such as surgeries or imaging services prior to or at the time the service is rendered. All SMHC physician practices will collect insurance copays for office visits either at check in or at check out.
C. Collection Policy

When a balance is owed by the patient, payment in full is always requested. The self-pay collection process extends through 120 days to ensure compliance with state and federal regulations. The following is the collection process followed on all self-pay account balances.

- Once an account balance becomes the patient’s responsibility, Patient Financial Services will generate an initial statement to the patient or responsible party. All statements will advise the patient or responsible party that financial assistance is available through SMHC or MMC’s Patient Financial Services department.
- Statements and a notice letter will be mailed on a 28 day cycle up to four times or until the balance is resolved. Two follow-up phone calls will be made on all balances in an attempt to collect that balance or provide the patient or responsible party with information relating to financial assistance.
- If the patient statement is returned as undeliverable, attempts will be made to find a better address, to update the SMHC billing system, and to mail the statement to the updated address.
- The fourth and final letter shall contain a final notice message to the patient or responsible party. If SMHC does not receive payment or a request for assistance the account will be referred to collections.
- All efforts to collect balances, as well as any patient-initiated inquiries, will be documented in the SMHC computer billing system and available for review.
- If the patient or responsible party does not respond to SMHC’s statements, letters or calls by paying in full, establishing an acceptable payment plan or requesting financial assistance, the account will be referred to our collection agency.

D. Extraordinary Collection Actions:

Extraordinary Collection Actions (ECA) for hospital services will not commence for a period of 120 days after the first patient statement is delivered for medical necessary or emergency medical care. Thereafter, one or more of the following actions may be taken by SMHC or associated collection agencies related to collecting payment of an outstanding medical bill:

- Reporting the outstanding debt to the three major credit bureaus.
- Placing liens on personal injury settlements.
- Placing liens on personal property to secure payment when permitted by law.

E. Referral to Outside Collection Agency

SMHC contracts with outside collection agencies to assist in the collection of self-pay account balances, including patient responsible amounts not resolved after issuance of statements and final notices described above. Accounts are considered to be bad debts, and therefore sent to outside collection agency partners, when it has been determined that all efforts to collect the account have been exhausted.
If a patient is found to be eligible for the financial assistance program, SMHC will take steps to reverse any collection activities that have begun.

F. Bankruptcy
If a bankruptcy notice is received for a patient or responsible party, SMHC will place a hold on all accounts to the extent required by the bankruptcy notice. SMHC will monitor correspondence from the bankruptcy court to determine if assets exist and if SMHC is permitted to continue to seek payment. If assets are identified, the appropriate claim forms will be filed with the bankruptcy court.

G. Probated Estates
If a deceased patient or deceased responsible party is identified in our computer billing system, the account(s) will be marked with a deceased identifier. Patient statements will still generate from the system to the “Estate of” the patient or responsible party. SMHC (or its agent) will search for estates or probate case matches across the United States. If an estate is identified for the deceased patient or responsible party, SMHC will review and may approve filing a claim against the identified estate or personal representative or executor where appropriate.

H. Reasonable Efforts to Identify Eligibility for Financial Assistance:
SMHC will notify individuals that financial assistance is available throughout the billing and collection process. The financial assistance application period begins on the date medical services are provided or an outstanding patient balance is due. This application period is open for all outstanding balances no matter the date of service. These applications will be processed with income verification for the current calendar year.

- SMHC will provide written notification of the availability of financial assistance for patients admitted to the hospital through the admission booklet at SMHC Registration.
- All outpatient patients will be provided with written notification of the availability of financial assistance on all patient statements.
- All appropriate waiting areas at SMHC and physician offices will have a plain language summary of SMHC’s financial assistance program posted.
- SMHC will make reasonable efforts to provide oral notification of the availability of the financial assistance program to patients at all points of registration and provide the contact information to apply for the program.
- If a patient or responsible party is approved for financial assistance under the SMHC policy and the approval does not cover 100% of incurred charges for the service, the patient or responsible party will not be charged more for emergency or other medically necessary care, than the amount generally billed, (AGB), to patients having insurance.
- SMHC has chosen to use the Look Back Method for calculating the AGB for patients applying for financial assistance.
1. **Price Transparency**
   SMHC will provide prospective patients upon request an estimated price or price range for the contemplated services.

**REVIEW:** Institutional Policy Committee:

**Sponsoring VP:** ________________________________ **Date:** __________

*Chief Financial Officer*

**SMHC Board of Directors:** ________________________________ **Date:** __________