

# Shodair Children's Hospital

## Administrative Policy Manual

**TITLE:** Billing and Collections Policy

**AREAS AFFECTED:** All Shodair services

**POLICY OWNER:** Maria Valdenegro, CFO

**PURPOSE:**

The Billing and Collections Policy provides general guidelines for patient billing and collecting payment for services. After services at Shodair Children's Hospital have been rendered, it is the policy of Shodair to bill patients and insurance companies accurately and in a timely manner. The policy is intended to achieve compliance with all applicable State and Federal requirements. During the billing and collections process, staff will respond to patient and insurance company requests in a timely manner and will follow the guidelines outlined below for billing and collections for all patient accounts.

**POLICY:**

**1. BILLING AND COLLECTION PRACTICES**

- A.** Shodair will make reasonable efforts to identify third-party payers to assist patients in resolving their bills by utilizing the following actions:
- Verify insurance coverage prior to rendering services, whenever possible.
  - Bill appropriate primary and secondary insurance (if applicable) in a timely manner.
  - Validate that what the patient owes is correct once insurance payment(s) have been received (if applicable).
  - Work with patients toward resolution of outstanding insurance claim payment issues.
  - Inform patients and provide assistance in applying for insurance (mainly MT Medicaid) and helping them understand what financial assistance is available to them.
  - Send statement(s) to patients for the self-pay balance for which they are financially responsible after the steps above have been taken.

**2. COLLECTING PATIENT INFORMATION**

- A.** It is the patient's responsibility to provide Shodair with accurate information regarding health insurance (including primary and secondary coverages), address, phone number, guarantor information, and applicable financial resources to determine how the patient will pay for services rendered, including assigning benefits due from any insurance carriers.
- B.** Shodair staff will obtain demographic and financial/insurance information prior to date of service. If staff is unable to obtain this information prior to appointment, they will obtain and verify the information on the date of service.
- C.** Patients will be asked to provide a copy of their insurance card and driver's license (if applicable), telephone number, email address, physical address, guarantor information, etc.

- D. If the patient or guarantor is unable to provide the billing and collection information needed, Shodair staff will attempt to obtain the information on behalf of the individual.
- E. Shodair will make reasonable efforts to investigate whether a third-party resource is responsible for payment for the services rendered.
- F. Patients and/or guarantors who do not have the resources to pay their self-pay balance for services rendered, will be referred to Shodair's financial assistance program (ShoCare) to determine eligibility.

### 3. PATIENT RESPONSIBILITIES

- A. The patient has the responsibility in partnership with Shodair to ensure they have the proper referral (if necessary) before services are rendered. In addition to the proper referral, certain services will also require a prior authorization. If a patient chooses to schedule an appointment before prior authorization is received, they will fill out an ABN and may be responsible for the entire bill.
- B. In the event of a claim denial from the insurance carrier or other responsible party, the patient is expected to assist Shodair in any appeal necessary.

### 4. PATIENT BILLING INFORMATION AND PROCESS

- A. Shodair is responsible for ensuring clean claims are submitted in a timely manner. This ensures timely collection from insurance carriers, patients, and/or guarantors.
- B. Shodair will bill the insurance carrier for all verified insurance coverage for services rendered. Co-payments and any other patient responsibilities (co-insurance, deductibles, etc) are due at the time of service.
- C. Shodair will send all patient statements in accordance with applicable regulations and/or CMS and insurance industry regulations. Insurance carriers may have different requirements based on the contracts they have with the facility, and billing will be consistent with the terms of the contract.
- D. Once a patient and/or guarantor receives a statement from Shodair, the contact information for any billing related questions is available on the statement. The contact information is also listed on Shodair's website at [www.shodair.org](http://www.shodair.org).

### 5. RESOLVING PATIENT BALANCES

- A. Once the patient and/or guarantor's financial responsibility has been established, Shodair will provide the patient with information on options available, including payment plans to address the balance on the account.
- B. Patients who wish to dispute the balance on their statement may call the phone number listed on the statement and talk to a patient account representative. If the dispute warrants further investigation, all collection actions will cease until a final decision is rendered.

### 6. ACTIONS TAKEN IN EVENT OF NON-PAYMENT

- A. A patient and/or guarantor's account may become delinquent if payment is not received by due date noted on the statement. If payment is not made for more than three billing cycles, the account may become delinquent.
- B. Steps will be taken to communicate with patients and/or guarantors with delinquent accounts, encouraging them to comply with payment plans in order to avoid a referral to an outside collection agency. Shodair will provide patients/guarantors with all payment options and financial assistance prior to service.
- C. Shodair may use the following methods to collect payment from patients and/or guarantors with delinquent accounts: statements and letters requesting payment, phone calls, email, and written notices. Once these offers have all been exhausted, accounts may be sent to a third-party collection agency.
- D. If a patient and/or guarantor applies for financial assistance, all collections efforts will be suspended until a final determination on eligibility is determined.

7. PAYMENT PLANS

- A. Shodair provides patients and/or guarantors with the ability to pay off their account(s) utilizing a zero percent, short-term monthly payment plan. Under the payment plan option, patients and/or guarantors may take up to twenty-four months to pay off their account(s), length is determined on account(s) balance following the guidelines below:

6 months	\$5.00 - \$500.00
12 months	\$501.00 – \$1,000.00
18 months	\$1,001.00 - \$2,000.00
24 months	\$2,001.00 +

- B. If payment plan is established and mutually agreed to, an explanation of the terms and conditions will be provided to the patient and/or guarantor by mails, electronically, or verbally. The terms and conditions will include the total amount, a schedule of payments, a due date, and the total payments for the exact amount owed at the time of the arranged payment plan.
- C. A patient and/or guarantor may cancel the payment plan at any time by means of a verbal or written communication with or without cause. However, the account balance then follows the policies and procedures outlined moving forward.

8. COLLECTIONS

- A. Collection actions may be taken by Shodair when pursuing payment from patients and/or guarantors with accounts in the following categories:
  - Delinquent accounts with no payments or communication after 3 billing cycles.
  - Accounts ineligible for Financial Assistance.
  - Accounts granted Financial Assistance but there the patient in no longer cooperating in good faith with Shodair to pay their remaining balance.
  - Accounts where patients have either made no payment arrangement or are not following their payment arrangement.

## 9. REFUNDS

- A. Shodair researches all patient overpayments to ensure that patients and/or guarantors refunds are made when appropriately due. The processing of patient and/or guarantor refunds will be completed once the research has concluded, and the overpayment is determined to be due back to the patient.
- B. If the patient and/or guarantor has balances on other accounts at Shodair, the overpayment will be applied to any other outstanding balance before any refunds are sent directly to the patient and/or guarantor.
- C.

Any exceptions to this policy must be approved by the CFO.

### **Attachments:**

**Financial Assistance Policy**

**Insurance Copayment Collections Policy**

**Insurance Verification Policy**

**Uninsured Self-Pay Discount Policy**