

University of Maryland Medical System Hunt Valley Central Business Office PATIENT FINANCIAL SERVICES POLICY AND PROCEDURE MANUAL		
	EFFECTIVE DATE:	REVIEWED/REVISED: 09/01/19
SUBJECT: CREDIT AND COLLECTION POLICY	APPROVALS : <input checked="" type="checkbox"/> SVP, Revenue Cycle Services	

Policy Scope :

This policy applies to the following hospital facilities of the University of Maryland Medical System (UMMS hospitals):

- University of Maryland Medical Center (UMMC)
- University of Maryland Rehabilitation & Orthopaedic Institute (UM Rehab)
- University of Maryland Midtown Campus (UM MTC)
- University of Maryland St. Joseph Medical Center (UMSJMC)
- University of Maryland Baltimore Washington Medical Center (UMBWMC)
- University of Maryland Shore Medical Center at Dorchester (UMSMCD)
- University of Maryland Shore Medical Center at Easton (UMSME)
- University of Maryland Shore Medical Center at Chestertown (UMSMCC)
- University of Maryland Charles Regional Medical Center (UMCRMCC)
- University of Maryland Upper Chesapeake Health (UPCH)
- University of Maryland Capital Region Health (UM Capital)

Policy Statement

The Hunt Valley CBO facilities expect payment at the time service is provided in most hospital locations. For patients with third party coverage, the facilities will bill and collect payments from all appropriate third party payers provided that the benefits are assigned to the hospital. Our policy is to comply with all state and federal laws and third party regulations and to perform all credit and collection functions in a dignified and respectful manner. Emergency services will be provided to all patients regardless of ability of pay. Scheduled services may require appropriate financial arrangements to be confirmed by the facilities. Deposits may be required prior to scheduled services. Financial Assistance is available for patients based on financial need as defined in the Financial Clearance Policy. The facilities do not discriminate on the basis of age, race, creed, sex, or ability to pay.

Procedure

1. It is the patient's responsibility to provide accurate information regarding address, employment and health insurance in order to determine eligibility for services and/or Financial Assistance.

2. The facilities will verify insurance coverage and obtain all appropriate authorizations for scheduled services. Depending on the insurance coverage, a deposit may be required prior to a scheduled service for the identified patient responsibility.
3. Payment for identified co-payments and deductibles will be requested for clinic and ancillary services at the time of service.
4. A Maryland Summary Bill is required by law to be sent to the patient who has received inpatient services. The Maryland Summary Bill is sent within thirty (30) days of the account's discharge date. MD Summary Bills may be sent at a later time due to late charges or change in patient type.

For patient responsibilities, patient statements will be forwarded to the responsible party.

Patient balances, for both Selfpay and Selfpay After Insurance, are placed into an Early Out Program for collections.

Early out agencies maintain accounts in an active AR collection status until accounts are at least 90 days old from discharge date, at which time the agency may transfer the account to a bad debt collection status.

Patients can call the corresponding vendor or Customer Service line at 410-821-4140 to have their questions answered. For the facilities, the early out vendor assignment is based on guarantor last name. The assigned corresponding phone number is provided on all the statements sent to the guarantors.

5. For all facilities on EPIC : for all financial classes, accounts with small balances between (\$9.99) and \$24.99 are written off. The accounts are processed with adjustment transactions and do not pass to bad debt.
6. The facilities accept cash, check, VISA, MASTERCARD, and DISCOVER for payment.
7. Payment in full is expected for non-covered services rendered within thirty (30) days of receipt of the first statement. If a patient cannot pay in full, then monthly payment arrangements are offered.
8. Patients, who are unable to pay, may request a Financial Assistance application any time prior to service or during the billing and collection process. The facilities may request a patient to apply to Medical Assistance prior to applying for financial assistance. The account will be transferred to financial class Medical Assistance Eligibility Pending and will not be forwarded to a collection agency during the Medical Assistance application process. Exception: Early Out Vendors might receive a self-pay account, that becomes Medical Assistance Eligibility Pending after placement, and thus may be maintained in collections with that vendor.
9. Accounts are selected that meet the following pre-determined criteria, for Bad Debt pre-list:
 - a. Account Balance greater than or equal to \$25 and less than \$100,000 for EPIC facilities. EPIC Automation is set for balances less than \$50,000.
 - b. In addition to manually selected accounts, the accounts with balances greater than \$100,000 for the facilities from the batch file produced monthly are reviewed by senior management prior to Bad Debt status with the exception of accounts that are in self pay early out outsource status, which includes Medicaid Pending.
 - c. Date of Service greater than 90 days with the exception of Out of State MA which is Date of Service greater than 30 days
 - d. Financial Class is one of the following: Selfpay, Blue Cross, Commercial, Medicare HMO, MCO, Military, HMO, Prisons, Worker's Comp, Other Contracts, and Grants
 - e. Special Bad Debt Projects may also include Financial Class: MA Pending, MA, Medicare

- f. Patient Portion is also sent to Bad Debt for Financial Class: Blue Cross, Commercial/HMO, Medicare, Medicare HMO, and Military
10. For all facilities, the accounts automatically move to Bad Debt when selected. Accounts are pursued for collections until the account is deemed uncollectible. Pursuit of collections may include outsourcing to outside collection agencies and/or the Hospital's attorney for legal pursuit. If an account was previously placed with an early out agency, it will remain with that agency.

Extraordinary Collection Actions (ECAs) may be taken on accounts that have not been disputed or are not on a payment arrangement. These actions will occur no earlier than 120 days from submission of first bill to the patient and will be preceded by notice 30 days prior to commencement of the action. Availability of financial assistance will be communicated to the patient and a presumptive eligibility review will occur prior to any action being taken.

- i. Garnishments may be applied to these patients, if awarded judgment.
 - ii. A lien will be placed by the Court on primary residences within Baltimore City. The facility will not pursue foreclosure of a primary residence but may maintain our position as a secured creditor if a property is otherwise foreclosed upon.
 - iii. Closed account balances that appear on a credit report or referred for judgment/garnishment may be reopened should the patient contact the facility regarding the balance report. Payment will be expected from the patient to resolve any credit issues, until the facility deems the balance should remain written off.
11. The Hunt Valley CBO facilities do not sell receivables; the collection agency only performs collection efforts on behalf of UMMS. The collection agency also could perform payer collections on insurance denials acting as an extension of the business office. Collection agency personnel are given remote access to the HIS systems. They are given access to view all account information and to update insurance information and generate claims. Agencies are given account information to start their collection efforts.
12. Payments on accounts worked by the collection agency are sent directly to the facilities and are processed through the lockboxes like other payments. It is then posted as a cash receipt. Cash collections on bad debt accounts are reported as a bad debt recovery.
13. On a daily or weekly basis, a payment listing or electronic file is presented to the agency to update their system. The collection agency then invoices UMMS for the amounts collected. The invoices from the collection agency are reviewed and compared to the payment information in the appropriate host system. If correct, the invoice is submitted for payment through the Accounts Payable Dept.