



CalvertHealth™

Policy Name: Collections

Policy Number:

Category: Clinical Non- Clinical

Review Responsibility: Director of Patient Financial Services, CHMC

Approved By: **[INSERT TITLES ONLY – NOTE: Two approvers (i.e., Director and Vice President) are recommended unless additional approvers are required.]**

Effective Date: 05/01/2019, 12/20/2022, 07/01/2023, 07/01/2024

Review/Revision Dates:

Associated Documents/Policies:

The policies set forth do not establish a standard of care to be followed in every case. It is recognized that each case is different, and those individuals involved in providing health care are expected to use their clinical judgment in determining what is in the best interests of the patient, based on the circumstances existing at the time. It is impossible to anticipate all situations that may exist and to prepare policies for each. Accordingly, these policies should be considered to be guidelines to be consulted for guidance with the understanding that departures from them may be required at times.

I. PURPOSE:

The purpose of this policy is to promote the timely payment on patient portions of accounts, at the least possible cost, and to ensure that all collection activities reflect the mission and values of the hospital. It is the policy of the billing office that delinquent financial accounts (categorized as a patient's responsibility) receive a series of statements and collection notices. Failure to respond causes the account to be considered for external collection efforts.

II. SCOPE:

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III. POLICY (or PROCEDURE or both):

1. Patients receive four statements, one generated on the day that patient responsibility is established, and thereafter in thirty-day increments thereafter.
2. The fourth statement will serve as the final demand notice to the patient.
3. The statements have dunning notices that progressively informs the patients of the current balance and the due date and aging status.

4. Collectors will document all collection activity in the hospital information system as a collection note prior to the assignment of bad debt.
 - a) A final phone call attempt will be made.
 - b) An FPL check will be made prior to placement.
5. Patients will receive statements up until their placement in pre-bad debt.
6. Patient balances are considered for collection if the following are applicable:
 - a. The patient balance is not paid in full or if payments arrangements have not been made.
 - b. The patient has received at least four statements.
 - c. The patient has failed to make payments according to the plan to which they agreed or otherwise meet commitments made to billing staff engaged in collection activities.
 - d. The patient has failed to make regular monthly payments to satisfy the account balance.
7. The account is sent to collection or written off using the appropriate adjustment code (see related policy on Collection Agencies).
8. Patient accounts are turned over according to the communication required by the collection agency. If possible, such actions are totally automated through an interface between the billing office and the agency.