NORTHERN MAINE MEDICAL CENTER

SUBJECT:	Collections Policy	Page 1 of 2
DEPARTMENT:	Patient Financial Services	**Effective**: 8/24/16
APPROVED BY:		**Revised:**

OBJECTIVE – To create a process to ensure consistent and fair practices in the attempt to collect all monies due Northern Maine Medical Center for services rendered.

POLICY – It is the policy of Northern Maine Medical Center to collect all outstanding patient account balances in a timely fashion. Through the use of professional and ethical practices, we will provide patients/guarantors with the necessary tools to assist and educate in the appropriate handling of medical bills. Collection practices will be conducted in a compassionate and structured environment consistent with Federal and State laws and regulations.

PROCEDURE:

1. When patients are registered for services, the proper insurance information provided by the patient is documented within the patient database system. A copy of all patient health insurance cards are scanned and attached to the patient's registration in MedHost to allow for future reference.
2. Once a patient bill is dropped from the database system for billing, a billing representative prescreens the account in SSI (the electronic billing software). Once prescreening has been done the claim is billed using HIPAA standards to the patient's medical insurance carrier.
3. Once payment has been issued by the primary payer, the cashier will post all appropriate payments and allowances to the specific account. The billing staff reviews any balances remaining after primary payment to determine if secondary coverage is in place or if the balance is the patient's responsibility. Billing protocols mandate we follow the established billing guidelines set forth by all contracted payers and bill according to the terms of our contract.
4. Once all primary, secondary and tertiary payers have been billed for a specific service, and a patient balance exists, the financial class on the patient account is changed to self-pay after insurance (SI) status and a statement is sent to the patient.
5. A statement is sent to the patient identifying the services rendered and the amount due after all qualified health insurance carrier payments has been posted. If the patient does not pay the outstanding obligation in full within the next 28 days, a second statement is sent to the patient as a notice of an outstanding balance. Statements are issued every 28 days until the balance has been paid in full. An attempt to reach the patient by phone to discuss payment options will be done between days 28-56.
6. A patient can contact a Financial Counselor any time during the collections process to set up a payment plan. Once a payment plan has been established the account(s) will be transferred to financial class T for time pay plans and combined into one account. Statement will still be sent every 28 days to the patient.
7. The established payment schedule utilized by NMMC for self-pay payment plans is noted on Attachment A. Once a payment arrangement has been agreed upon, a letter will be sent to the patient/guarantor confirming the agreement. Attachment B is a template of this letter of confirmation, a copy of the letter will be scanned into the correspondence folder on the patients account in MedHost.

For Self-pay patients without a primary payer, collections would follow the same procedures as outlined above starting with step 5.

COLLECTION PROCEDURES:

Phase 1: After an account balance has been placed in self pay, the first 120 day collection cycle, identified as the "billing cycle" begins by notifying the patient of their status. Reasonable efforts will be undertaken to identify those individuals that may qualify for assistance. Should there be no payments received by the patient after the third consecutive 28 day interval statement (84 days), a dunning letter is sent to the patient 10 days after the 3rd consecutive statement, requesting prompt and immediate action against the outstanding balance(s) due, a fourth statement (112 days) will be sent to the patient after the dunning letter. At any time, in the first 120 days, a patient/guarantor may request to begin the process of accessing the Financial Assistance Program. At that time all billing/collection efforts will be placed on hold and the Financial Assistance Program process will be followed. If the account is returned to the billing/collection process, activities will pick up where they left off when they were placed on hold.

Phase 2: From the 121st day through the 240th day Extraordinary Collection Actions will be utilized. If no action is taken by the patient/guarantor to satisfy their obligation in part or in full within 30 days of the dunning letter, the account is changed to a Bad Debt status and forwarded to a collection agency for collection proceedings. As in phase 1, at any time in this 120 day period a patient/guarantor may request to begin the process of accessing the Financial Assistance Program. At that time all billing/collection efforts will be placed on hold and the Financial Assistance program process will be followed. If the account is returned to the billing/collection process, activities will pick up where they left off when they were placed on hold.

Phase 3: Commencing on the 241st day of collection activity and once an account is at collections, proper due process is taken by the third party collector to establish a strategy with the debtor in creating a payment plan that will favor all parties. If no cooperation is extended by the debtor for satisfying the financial obligation of all bad debt collection accounts in question, the collection agency may, in conjunction with NMMC, issue a lien against any real property owned by the debtor.

If during the allowed period of time it is established that a patient/guarantor qualifies for the Financial Assistance Program the Amount Generally Billed (AGB) will be determined at that time by NMMC.

Reasonable Efforts:

- Plain language summary on NMMC's website for available service under the Financial Assistance Program.
- Paper copies available upon request at no charge to patient/guarantor.
- Presentation to individual or community groups/clubs upon request.
- Attempt at least one phone contact.
- Notification of Financial Assistance Program on billing statements.
- Notification on admit and/or discharge packages

Extraordinary Collection Actions (May include any or all listed):

- Selling/placing debt to third party.
- Reporting to credit reporting agency or credit bureau.
- Deferring, denying, or requiring payment before providing medically necessary care due to nonpayment for previously provided care.
- Actions that require legal or judicial process
    - Commencing a Civil Action
    - Placing a Lien
    - Garnishing Wages

Amounts Generally Billed:

The amount generally billed to insured patients for emergent or medically necessary care.

- Look-back Method
    - Calculated at least annually
    - Based on a 12 month period of time.
    - Uses all claims from the following payers in calculation
        - Medicare & all private health insurers