

# JEFFERSON REGIONAL MEDICAL CENTER

## BUSINESS OFFICE PROCEDURE MANUAL

SUBJECT: Billing and Collection Policy

VOLUME: JRMC

APPROVED: Approved by the JRMC Finance Committee May 23, 2018

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### **I. Purpose:**

JRMC will bill third party insurance companies for services rendered at our facility to include our physician practices. JRMC will bill guarantors for amounts due after insurance pays. JRMC will bill individuals who are considered uninsured or “self-pay.”

### **II. Policy:**

#### **Billing**

JRMC will file claims to third-party insurance and government payers. After the insurance or governmental payers process the claim and designate a patient responsibility balance, JRMC will bill the patient/guarantor for the balance. Individuals who are uninsured or “self-pay” will receive statements with a balance due.

At a minimum, all patients will be notified via statement of the opportunity to apply for financial assistance. JRMC provides a phone number to call to receive a financial assistance application.

#### **Collection**

Patients who have not applied or do not qualify for financial assistance will be responsible for the balance due after insurance pays. Patients/Guarantors will receive one patient payment due statement from JRMC. If no payment is made within 15 days, the balance due will be transferred to an extended business office (EBO) third party JRMC business partner for continued collection efforts. Balances placed with an EBO are not considered bad debt.

If, after 120 days, no payment has been made on a balance and no payment arrangements have been made, the EBO will return the balance back to JRMC. As long as payments are being made timely on an approved payment plan, then the balance will remain with the EBO until the balance is paid in full.

When an EBO returns a balance to JRMC, an independent third-party screening will be performed for presumptive eligibility of charity care. If the screening results in a qualifying score, then the balance will be recognized as charity care and written off. If the screening score does not qualify, then the balance will be transferred to a bad debt collection agency for continued collection efforts. This is considered bad debt.

Collection agencies collecting bad debt balances for JRMC may pursue all extraordinary collection actions with the exception of selling debt to another party. Selling debt to another party will only be allowed after the explicit approval of the CEO or CFO of JRMC.

Extraordinary collection actions do not include any lien or other legal action that JRMC is entitled to assert under state law to collect payments due for medical care provided as a result of personal injuries.

Any balance that is placed with a collection agency and has had no payment made in nine months will be returned to JRMC for final uncollectible write-off.