Policy: LD - Billing and Collection
Type: Administrative (ADM) / Administrative
Applicable To: Children's Specialized Hospital
Policy Owner: Director of Patient Accounting
Effective Date: 4/18/2024
Approved by: VP & CFO

1. **Policy Statement:**

Purpose

The purpose of this policy is to delineate the policies and procedures that will be followed with regard to billing for services provided to patients of Children's Specialized Hospital, ("the Hospital" or "CSH"). This includes billing patients for their responsibility and potential referrals of unpaid balances to collection agencies. It is also the intent of this policy to ensure Children's Specialized Hospital complies with Internal Revenue Code 501R.

Departments Affected

All

Definitions

Children's Specialized Hospital Benefit Fund (CSHBF) is a separate assistance program policy that describes and defines financial assistance that is available to qualified patients of Children's Specialized Hospital and their families.

Insurance is defined as any third party payer that may provide for payment of some or all of a patient's bill. This includes Medicare, Medicaid, PPOs, HMOs, Commercial Insurance Carriers, etc.

Patient responsibility is defined as the amount of a patient's bill that was left unpaid by insurance based on the patient's insurance coverage. This typically includes copays, coinsurance, deductibles, exhausted benefits and non-covered services.

Co-pay is defined as an amount typically payable by the insured patient on a per visit basis.

Co-insurance is defined as the percentage of the insurance carriers covered amount that is the patient's responsibility.

Deductible is defined as the amount that the patient must pay before the insurance carrier starts making payment.

AGB is defined as the amount generally billed by the hospital as defined by Internal Revenue Code 501R.

ECA is defined as an extraordinary collection activity which includes, although not limited to, reporting individuals to credit reporting agencies, placing liens, foreclosing on individual's real property, etc.

Policy

It is the policy of Children's Specialized Hospital to exhaust all opportunities for insurance payments before billing any patient (guarantor) for services provided by the Hospital. The exceptions to that policy are patient responsibility amounts that are known at the time of service. Payments for those amounts are expected to be paid by the patient (guarantor) at the time of service assuming there is no secondary insurance coverage. In the event a patient responsibility is identified by the patient's insurance carrier after the services are provided, the patient will be billed the amount identified as the patient's responsibility by the carrier. Again, in situations where secondary or tertiary coverage exists those amounts will be billed prior to the guarantor – patient.

Should the Hospital need to bill a patient (guarantor) for their responsibility it is the policy of the Hospital to allow no less than 120 days from the date of the first billing notice before invoking extraordinary collection activities (ECA). Further, the Hospital will provide the patient (guarantor) with a plain language explanation of its CSHBF policy and details of any ECAs that might be taken at least 30 days prior to any the expiration of the 120 day period.

Procedure

All identified insurance carriers will be billed (electronically, if possible) and payments pursued from those carriers. CSHBF will be offered to patients consistent with the CSHBF policy. Patient's accounts will be updated to reflect any CSHBF eligibility.

Patients will not be billed any balances until the point at which all insurance opportunities have been exhausted. The amount billed to the patient (guarantor) should be consistent with the insurance explanation of benefits "patient responsibility" and be net of any CSHBF accommodations due to the patient. This includes any limits applicable to the AGB pursuant to internal revenue code 501R. The exceptions to this policy are amounts identified as patient responsibility in advance which will be requested at the time of service absent a CSHBF accommodation.

Billing statements will be sent out every 21 days for no less than 120 days from the first such statement. The Hospital will, at least 30 days before the end of that 120 day period, notify the patient (guarantor) via a plain language summary as to the availability and accessibility of CSHBF. The patient

(guarantor) will also be advised as to any extraordinary collection activities that might be undertaken by the Hospital in the absence of a successful CSHBF application or payment of the bill.

Bills that remain unpaid after 120 days will be referred to a collection agency. Normal collections efforts will be pursued but extraordinary collection activities like reporting to credit bureaus and - or filing of judgments against the patient (guarantor) will all require authorization by the Director of Patient Accounts on a case by case basis.

In the event that a patient – guarantor initiates a CSHBF application after an account has been referred to a collection agency and before the 240th day, the Hospital will instruct the agency to put all collection efforts on hold until such time as the application for CSHBF can be reviewed. If CSHBF is approved collection efforts will be discontinued or the amount due adjusted, as appropriate.

Any patient overpayments recognized by the Hospital resultant from retrospective CSHBF eligibility will be refunded as soon as reasonably possible.

CSH reserves the right to file claims in bankruptcy proceedings as that is not considered an ECA.

Related Policies (if applicable)

LD - CSHBF Policy
LD - Self Pay Deposit & Payment Arrangement Policy

Revised: 9/16, 9/17, 3/18
Reviewed: 11/19, 9/20, 9/21, 12/22, 10/23

2. Acronyms:

There are no acronyms associated to this document.

3. Related Documents:

Document Type	Document Name
Associated Procedures:	• LD - Children's Specialized Hospital Benefit Fund CSHBF • LD - Self Pay Deposit and Payment Arrangements
Resources:	
Job Aids:	

Regulatory references:	