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**POLICY**

Kirby Medical Center (KMC) expects guarantors to make “good faith” efforts to pay balances due. The patient Financial Services (PFS) department will work with guarantors to establish a reasonable settlement of all balances that are the guarantor’s responsibility.

**DEFINITIONS**

- I. DELINQUENT ACCOUNTS - An account is considered delinquent when:
  - A. No personal payment or reasonable payment arrangements have been established within 30 days of final insurance payment or 30 days from the date of service for self-pay accounts.
  - B. There is a failure to respond to phone calls and/or correspondence for 30 days or more.
  - C. A required Application for Payment Exception Report is not completed upon request and within 60 days following the date of discharge or receipt of outpatient care.
  - D. Guarantor has demonstrated a failure to comply with the terms of a reasonable payment plan.
  - E. Statements are returned by the US mail and the PFS department is unable to obtain new address information.
    - a. It is the guarantor’s obligation to provide a correct mailing address at the time of service or upon moving. If an account does not have a valid address, the determination for “reasonable effort” will have been made.

**PROCEDURE**

- I. PATIENT NOTIFICATION
  - A. Notice and Grace Period
    - 1. Patients will be sent a final notice via US Mail and given a grace period of 10 days from the date on the final notice to forward any required payment amount or communicate an acceptable settlement of their balance to the business office.
  - B. Disputed Balances
    - 1. Disputed balances will be subject to review by the Director of PFS before further collection efforts are pursued. In those cases where the PFS staff has exhausted all reasonable efforts to collect the balances due to KMC, the account(s) will be referred to a state-licensed agency, Eagle Recovery Associates, for follow-up and collection.

### C. Collection Agency Referrals

1. Accounts will not be referred to a collection agency unless the following criteria have been met:
  - a. Guarantor has been given the opportunity to request a reasonable payment plan for amounts personally owed.
  - b. Guarantor has requested a reasonable payment plan, but has failed to agree to a plan within 30 days of the request.
  - c. No legal action will be initiated by collection agents without written approval by the Director of PFS or her/his designee.
  - d. Collection agents will be aware of and follow KMC's [Kirby Financial Assistance Program](#) policy.
  - e. Communication from each collection agent will be kept on file that shows their compliance with the Fair Patient Billing Act.
  - f. Extraordinary collection action may begin on the 240<sup>th</sup> day from date of first statement. The extraordinary collection actions include wage garnishment or garnishment of a bank account.

## II. FINANCIAL ASSISTANCE

A. KMC has full-time staff available to assist the guarantor in establishing financial arrangements which best meets the needs of the patient and KMC. To assist the guarantor in meeting his/her obligations, KMC provides the following programs:

### A. Credit Cards

1. KMC accepts American Express, MasterCard, Visa, and Discover cards. These payments will be accepted whether made in person, by phone, via KMC's website or by mail. All credit card payments will be accepted upon approval of the issuing authority and subject to the restrictions of the card.

### B. Financial Aid

1. KMC recognizes that there are occasions where a patient will not be able to pay a medical bill. Since the provision of care is not dependent on one's ability to pay, KMC expects the patient to document and qualify for Kirby Care. See policy [Kirby Financial Assistance Program](#).
2. For those exempt from the Federal Affordable Care Act you may be eligible for a reduce rate of service (AGB) calculated by using the Look-Back Method- that calculates the following ratio for the prior 12-month period:

$$\text{AGB} = \frac{\text{All Claims Allowed by Health Insurers}}{\text{Gross Charges for Those Claims}}$$

This is calculated using Medicare fee-for-service and all private health insurers. This is calculated annually

The AGB rate and KFA apply only to services that are medically necessary. These reductions do not apply to any services not performed at Kirby Medical Center or the professional fees of providers who perform services at KMC – Dr. Baker and Dr. Alward, or any labs processed by another facility.

### C. KMC Financing

1. KMC will accept monthly payment arrangements in those circumstances where financial need is verified by PFS staff.

2. To qualify for KMC financing, the patient must be rejected by all alternative financing sources. The established payment amount will be measured using the guarantor's available income after monthly obligations. The minimum monthly payment amount is \$100, or 1/25<sup>th</sup> of the account balance, whichever is greater. If these minimum requirements are met, the Application for Payment Plan Exception does not need to be completed. Otherwise, the patient may be asked to complete an Application for Payment Plan Exception at the discretion of the PFS director. Then the monthly payment amount will have to be approved by the Director of PFS.