



Document Title	PRIVATE PAY BALANCES	Document Type	DEPARTMENT GUIDELINE
Owner	DIRECTOR OF PATIENT FINANCIAL SERVICES	Reviewed	3/14, 2/16, 5/2016, 4/2017
Applicable Department(s)	PATIENT FINANCIAL SERVICES		
Effective Date	7/1/2016 Version (5)	Approved	04/24/2017

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 individual’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 mail correspondence or phone calls 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. It is the responsible individual(s) obligation to provide a correct mailing address at the time of service or upon moving.

PROCEDURE

- I. PATIENT NOTIFICATION
 - A. Notice and Grace Period
 - 1. Timeline for statement notification:
 - a. Statement 1 day 1, Statement 2 day 30, Statement 3 day 60, Statement 4 day 90
 - 2. Individuals will be sent a final notice via US Mail and given a grace period of 30 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. This will be the 120th day from first statement.
 - 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. Eagle Recovery will send statements and make phone calls for 120 days from the date the account was turned over to them.

C. Collection Actions

1. Action taken by KMC to collect on unpaid balances.
 - a. Phone Calls
 - b. Statements
 - c. Up-front payments

D. Collection Agency Referrals

1. Accounts will not be referred to a collection agency unless the following criteria have been met:
 - a. Individual has been given the opportunity to request a reasonable payment plan for amounts personally owed.
 - b. Individual has requested a reasonable payment plan, but has failed to agree to a plan within 30 days of the request.

E. Extra-ordinary Collection Actions

1. Director of PFS has the responsibility to determine whether reasonable effort has been made with regards to an account and extraordinary collection actions can therefore be taken to encourage payment
 - a. Collection agents will make calls and will send statements to the individual.
 - b. No legal action will be initiated by collection agents without written approval by the Director of PFS or her/his designee.
 - b. Collection agents will be aware of and follow KMC's [Kirby Financial Assistance Program](#) policy.
 - c. Communication from each collection agent will be kept on file that shows their compliance with the Fair Patient Billing Act.
 - d. Extra-ordinary collection action may begin on the 240th day from date of the first statement. The extra-ordinary collection actions include wage garnishment or garnishment attached to a bank account.

II. FINANCIAL ASSISTANCE

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

1. Credit Cards

- a. 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.

2. Financial Aid

- a. 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 provide documentation and apply for KFA. See policy [Kirby Financial Assistance Program](#).
- b. If an individual has had a recent qualifying life event, Kirby Medical Center may be able to assist with the patient's Cobra premium. The individual will be required to fill out a Kirby Financial Application.

3. KMC Financing

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

- b. If the patient does not qualify for any charitable source, the established payment amount will be measured using the guarantor's available income after monthly obligations. *The minimum monthly payment amount is \$100, or 1/25th 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 plan will have to be approved by the Director of PFS.

III. KMC Financial Advertisement

- A. KMC will take the following reasonable efforts to notify and inform the public about our financial assistance program:
 1. Billing Statements
 2. Website
 3. Flyers and Posters throughout KMC
 4. Newspaper
 5. Billboards
 6. Automated "on hold message"
 7. Warning letter before wage garnishment and bank garnishment
 8. Presumptive determination letter
 9. Individual who submits an incomplete application will receive a letter will to tell them what is missing
 10. Phone Calls
 11. Admission or Discharge