

**Policy Title:** **Credit and Collection Policy and Procedure****Policy #:** **F-416****Last Review Date:** November 4, 2021**Date of Origin:** March 1, 2009**Policy:**

It is the policy of ChristianaCare, Union Hospital to attempt collection of hospital accounts for both third party payers and individuals as applicable. Collection efforts for patient liability, including deductibles and co-insurance amounts, are made by hospital staff for upfront collections, if applicable.

**Purpose:**

To ensure that all accounts are billed with extended billing office for a minimum of 90 days before they are written off and transferred to a bad debt status.

**Scope:**

*Select applicable:*

- Christiana Care Health Services and the Medical Dental Staff**
  - Christiana Hospital
  - Wilmington Hospital
  - Union Hospital
- Christiana Care Home Health and Community Services**
- Christiana Care Health Initiatives**

**Procedure:****I. Internal Collection Efforts:**

- A. Insurance benefits are verified and authorized (when applicable) when the patient is scheduled. Self-pay amounts, including co-payments and deductibles, are requested and collected at the time the service is performed.
- B. Upon discharge, patients receive an itemized bill for inpatient admissions in accordance with the Maryland Hospital Cost Review Commission requirements. When insurance payments are received leaving a self-pay balance, or the account is strictly self-pay, it is outsourced for follow-up but remains on the hospital's active accounts receivable. Agents work the accounts in the hospital's name and representatives are directed to accept monthly payments until the account is paid-in-full. Collection efforts consist of phone calls and monthly statements. The patient may also apply for financial assistance at any time during this process (see policy #F-415, Financial Assistance).

**II. External Collection (Bad Debt Write-Off)**

- A. Generally, accounts remain internal for a minimum of 120 days before qualifying for bad debt write-off status. An account may qualify for bad debt earlier based upon

- the patient's payment history, when two promised payments have been broken, or when return mail is received with no payments being made.
- B. Accounts which qualify for bad debt write-off are transferred to the appropriate collection agency each month. Once assigned to an agency, the agency begins collection activity. Unpaid bad debt accounts remain open and active in the bad debt file unless they are paid; the patient/guarantor is determined to be indigent; or the collection agency reports the account as uncollectible on a closed report.
  - C. While in bad debt, the patient (or guarantor) may set up payment arrangements to satisfy the debt and interest will not be assessed.
  - D. Regardless of classification (accounts receivable or bad debt) all collection activity on a patient account(s) will cease upon receipt of bankruptcy.
  - E. Legal action is initiated only upon hospital approval after routine collection efforts have failed.