

Mt. Washington Pediatric Hospital

SUBJECT: Bad Debt and Credit/Collection Policy

POLICY

Mt. Washington Pediatric Hospital (MWPB) expects payment at the time service is provided. For patients with third party coverage, MWPB will generally bill and collect payments from most appropriate third party payers provided that the benefits are assigned to the hospital. Scheduled services will be provided after appropriate financial arrangements are confirmed by MWPB. Financial Assistance is available for patients based on financial need as defined in the Financial Assistance Policy. MWPB does not discriminate on the basis of age, race, creed, sex or ability to pay.

Hospital policy is to comply with all state and federal law and third party regulations and to perform all credit and collection functions in a dignified and respectful manner, and to require collection agencies working on its behalf to adhere to the same standards.

RESPONSIBILITY

Vice President of Finance

PROCEDURE

1. It is the patient/family's responsibility to provide accurate information regarding current demographic, contact, employment and health insurance information in order to determine eligibility for services and/or Financial Assistance. Failure to provide this necessary information may lead to claim denials for which the guarantor may be held financially responsible.
2. It is the patient/family's responsibility to understand their health care benefits. As a courtesy, MWPB will verify insurance coverage and, where possible, obtain appropriate authorizations for scheduled services. MWPB will not be responsible for denials due to incorrect benefit and/or authorization requirements provided by the insured's insurance payer.
3. Depending on the benefits quoted by the patient's insurance, a portion of the account balance may be required at the time of a scheduled service. Failure to pay at the time of service, or to arrange in advance for patient financial assistance, may result in the re-scheduling of the service.
4. Payment for identified co-payments and deductibles will be requested for clinic and ancillary services at the time of service. The patient may be required by his/her insurance carrier to pay a separate co-pay for physician services.
5. When a patient/family balance is due, the guarantor is sent notification providing them information regarding the financial status. This status will depend or change based on payment and or denial activity applied to services provided.
6. Payment in full is expected from the guarantor for services denied due to the insured's policies restrictions, benefit's coverage limitations or incorrect benefit information provided by the patient's insurance payer.
7. For self-pay balances, four patient statements will be forwarded to the responsible party during a 90-day period. Periodic billing statements sent to the patient will notify them of the availability of Finance Assistance or payment plans as well as their balance due. Patient balances that are not paid in full after 120 days from the date of first patient bill will be categorized as bad debt and forwarded to a collection agency, unless family is working actively with hospital to arrange payment plan or financial assistance. All patient statements returned

to MWPH due to a bad or incomplete address are sent to a collection agency if an updated address cannot be found.

8. If a patient/family who has been approved for Financial Assistance or payment plan fails to comply with the agreement, the account balance may be considered bad debt and sent to a collection agency.
9. MWPH accepts cash, check, VISA, MASTER CARD, DISCOVER and AMERICAN EXPRESS for payment.
10. Patients who are unable to pay may request a Financial Assistance application any time prior to service or during the billing and collection process. MWPH may request that the patient apply for Medical Assistance prior to applying for financial assistance through the hospital. The account will not be forwarded to a collection agency during the Medical Assistance or Financial Assistance application process (see Financial Assistance policy).

WRITE-OFFS OF UNCOMPENSATED CARE

1. Accounts that are either sent to collection agency or considered patient financial assistance (charity care) will be considered uncompensated care, and written off to bad debt.
2. Balances written off to patient financial assistance will include:
 - a. Balances for which the patient/family has applied and been approved for patient financial assistance, under the hospital's policy;
 - b. Balances that are denied as a non-covered service by medical assistance or MA-MCO, for which the hospital is not permitted to bill the patient;
 - c. Balances for services provided to patients who qualify for medical assistance, which are uncollectible after the hospital has made reasonable collection efforts;
 - d. Balances for services provided to families that qualify for medical assistance at any time during the collection process, even though they did not have medical assistance at the time these services were rendered.

APPROVAL

Vice President of Finance