

Policy Title:	Credit and Collection Policy	Policy ID:	4834
Keywords	Credit, Collection, Bad Debt		

I. Purpose of Policy

To establish how Conifer Revenue Cycle Solutions (“Conifer”) is to pursue and satisfy patient account balances as a contracted agent for Dartmouth-Hitchcock (D-H) and Cheshire Medical Center (CMC).

II. Policy Scope

This policy applies to all staff responsible for the credit and collection processes and all balances billed through Dartmouth-Hitchcock Clinic, Mary Hitchcock Memorial Hospital and Cheshire Medical Center.

III. Definitions

Collection Agency: A third party who collects balances that are considered in default.

Debtor: One who owes a debt.

Dun Level: The level of communication to a patient in relation to the patient’s account receivable. The higher the dun level the closer the balance is to being considered in default.

Default: A balance that has not been paid according to payment terms identified on the statement, has no payment arrangement established, and is moved from active receivable to a collection agency.

Guarantor: The individual designated as the responsible party on a patient’s account who is the debtor.

ECA: Extraordinary Collection Action

IV. Policy Statement

- D-H and CMC routinely attempt to collect the most current Guarantor insurance information for a patient and verify coverage and out-of-pocket responsibility through existing insurance and benefit verification tools.
- Out-of-pocket expenses such as coinsurance and deductible balances are estimated and payment arrangements sought prior to service or at the time of service.
 - A patient may have the option of paying out-of-pocket expenses after services are rendered.
 - Some services may require prepayment (i.e., Cosmetic, hearing aids, etc.).
- For any unpaid balances, D-H/CMC will issue the billing statement and request payment in full.
- Partial payments are accepted as long as minimum payment expectations are met as outlined in the budget plan procedure. See “Budget Payment and Reinstatement Plan Procedures: Revenue Management Division” (linked below).
- Outstanding balances move to collections when the balances are determined to be uncollectible and at that time, the balances are moved to a collection agency and are considered in default.

A. Self-Pay Balances

- Self-pay balances represent charges that are the responsibility of the Guarantor.
- These include but are not limited to:
 - Balances on accounts for individuals without insurance
 - Balances after insurance or third party payments including:
 - Charges considered as non-covered services as defined by the patient's insurance plan
 - Co-payments
 - Coinsurance
 - Deductible amounts
 - Guarantors who bill their own insurance and elect to not make assignment to D-H/CMC
 - Patient convenience items

B. Transfers to Self-Pay

- Balances move to the Guarantor and statements are sent only after payments for services have been settled with third-party payers, unless the following conditions are met:
 - D-H/CMC has not been successful in having the claim adjudicated by the payer, despite repeated attempts to seek payment.
 - D-H/CMC has been notified by the third party insurer that the Guarantor has not responded to requests for information needed to adjudicate the claim.
 - The Guarantor provides incorrect insurance information. The first statement generated to the patient will provide the phone number of customer service and a request to update insurance information if not correct.

C. Patient Billing Statements

- Guarantors currently receive statements as follows:
 - Resolute Hospital Billing - Mary Hitchcock Memorial Hospital (MHMH) and Cheshire Medical Center (after 11/4/2017)
 - All hospital services and all hospital-based MD Office visits.
 - Resolute Professional Billing – Dartmouth-Hitchcock Clinic and Cheshire Medical Center
 - All professional fees for providers.
- General guidance for the production of statements for hospital and clinic services are as follows:
 1. Statements are normally produced on a monthly basis.
 2. All statements are generated at the Guarantor level, meaning multiple visits or multiple invoices will be listed on a single statement.
 3. The next statement dates and dunning levels are assigned prior to producing the statement based on payments posted.
 4. To suspend dunning, a minimum payment must be made either related to an established budget plan.
 5. Guarantors who meet the minimum payment requirement on a timely basis will not have the dunning advance to the next level.

D. Collection Agency Referrals

- D-H/CMC will not use extraordinary collection actions (ECAs) such as reporting to credit reporting agencies before making reasonable efforts to determine whether the patient is eligible for financial assistance. A patient will be sent to collections only after first making reasonable efforts to determine whether that patient is eligible for financial assistance. Any exceptions must be approved by the Chief Financial Officer. For information on actions on financial assistance eligibility, please refer to our “Financial Assistance for Healthcare Services Policy” (see link below). Copies are

available online or can be requested at the Patient Financial Services Offices or can be mailed to you by calling 844-808-0730.

- D-H/CMC will refrain from collection agency actions until at least 120 days after the first post-discharge billing statement is sent and D-H/CMC will send a notice at least 30 days prior to sending to collections.

E. Vendor Credit Policy

- D-H/CMC has the following three categories of client/vendor accounts:
 - Research study accounts
 - Commercial client accounts (i.e., Hospice, SNF, City Accounts, Lab, etc.).
 - Occupational Health accounts that have a contract for services required by an employer as a condition for employment will be paid by the employer.
- Monthly statements are produced and are due in full within 30 days of the statement date.
- No budget arrangements will be made on these accounts.
- Accounts over 30 days old are sent a letter indicating the amount past due and provides notice stating continued non-payment may result in interest charges at a rate of 1.5% per month on all outstanding balances.
- D-H/CMC reserves the right to send accounts in default to Collection Agencies.

F. Bankruptcy Accounts

- Two types of bankruptcy notices are sent by the Bankruptcy Court:
 - Notice of commencement of filing
 - Discharge/Disallowance of debtor
- Once D-H/CMC has been notified of a bankruptcy, all collection attempts must cease.
- Notice of commencement is received by D-H/CMC.
 - The filing can be either individual or joint and the children are not listed.
 - All family members must be identified and each account must be noted that bankruptcy proceedings have commenced and the date of filing.
 - If any account has been placed with an outside collection agency the account must be noted, the agency notified, and a copy of the filing sent to the bankruptcy court for its records.
 - All charges specified in the notice will be included for purposes of bankruptcy.
 - All charges should be updated to the bankruptcy financial class.
- When the bankruptcy is finalized, the court will send either a disallowance or a discharge of debtor notice.
- In the case of a disallowance D-H and CMC can resume collections.
 - If D-H/CMC receives a discharge we must adjust any balance in the Epic system.
 - All accounts pertaining to bankruptcy must be noted of the final outcome.
 - The collection agencies will be notified and sent any supporting documents.

G. Litigation Claims

- D-H/CMC will curtail the pursuit of self-pay balances or claim subjugation balances for accounts in litigation upon receipt of a Letter of Protection (LOP) sent by the attorney representing the patient stating the litigant will protect D-H/CMC's interest in any subsequent settlement.
- If the settlement is denied the balances revert back to the guarantor and arrangements for payment are made.
- D-H/CMC reserves the right to file a lien in liability cases for the interest of the hospital.

V. References - N/A

Responsible Owner:	Revenue Management Division	Contact(s):	Kimberly Mender
Approved By:	Board of Trustees; Chief Officer - Finance; Office of Policy Support - Organizational Policies Only; Naimie, Tina	Version #	5
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Related Policies & Procedures:	Budget Payment and Reinstatement Plan Procedures: Revenue Management Division Financial Assistance for Healthcare Services Policy		
Related Job Aids:			