

8.7 SAMPLE CHARGES, BILLING AND COLLECTIONS POLICY

(See MT TX FP Administrative Manual, Policy 3.3, *Charges, Billing and Collection*)

Policy: These policies have been prepared to keep accurate and timely accounts receivable records for all family planning clients. Its purpose is to ensure client encounters, procedures and other billable services are recorded, submitted for payment and tracked in an accurate and timely manner; to ensure fair, consistent and assertive collection efforts are implemented, in accordance with the family planning programs policies and procedures; and to ensure a regular and timely review, classification, and aging of client account receivable records.

Procedure:

Client Charges

Fees are determined by a sliding income scale established by the Title X clinic. Clients' income is assessed at the intake portion of their visit according to Title X Program Requirements and QFP, and their sliding fee discount is established for that visit. Income is reassessed at least annually, and at any other visit that an income change is reported by the client. Verification of stated income for clients age 20 or older is requested in the form of paycheck stubs, note from an employer or parent, income tax return when it reflects current income, or bank statement. No client will be denied service or sliding fees if income verification is not completed.

Payment in full is due on the day of the visit; however, the family planning program will not refuse service at any time due to inability to pay. Clients with an outstanding balance are asked to make a minimum monthly payment of \$ _____, or to contact the clinic in a month in which they cannot make a payment.

Some clients, based on income, are zero pay for services. The Director may waive fees based upon the circumstances of the client and consider the size of the bill, future medical services required, client's other financial obligations, or employment status.

Donations are encouraged at each visit whenever clients feel they can afford one, regardless of fee level. The family planning program accepts checks, cash, Visa, MasterCard, and money orders.

Cost Analysis (or a local version approved by FPP)

The family planning program will utilize the FPP cost analysis procedures to determine the cost of services and will be reviewed and updated every other year.

Encounters and Charges

Office Charges:

1. An electronic encounter will be generated for each appointment that is scheduled within the Practice Management System.
2. Each visit will be coded by the clinical staff as to what services were provided to the client.
3. The billing staff will review all charges prior to claim submission for logic and appropriate coding.

Offsite Charges:

1. An encounter/appointment will be created for all offsite services including hospital, care center, and home visits.
2. Each visit will be coded by the clinical staff as to what services were provided to the client.
3. If client demographic and/or billing information is not available, the billing staff will contact the appropriate off-site organization and obtain as much information as possible.

- The billing staff shall enter the billing information into the computer and verify the charges to the client's accounts.

Laboratory Charges:

- The family planning clinic will bill for all laboratory services that are referenced to a third party for all uninsured clients.
- These charges will be reviewed and coded by the billing staff and then posted in the Practice Management System (PMS).

Billing and Accounts Receivable

Client Statements:

- Every family planning program with an outstanding balance of \$ ____ or greater will receive a statement every thirty days.
- Clients will receive monthly statements even if the balance is being considered by insurance.
- Confidential Accounts will not receive monthly statements.

Insurance Billing:

- The family planning program will bill all insurance companies appropriately for the services provided.
- Any unpaid balances shall be billed to the client. If the client is eligible for the Sliding Fee Scale the unpaid balance will be adjusted at the appropriate rate.

Insurance Accounts Receivable Aging:

- The Insurance A/R aging will be reviewed monthly by the family planning program billing office and the Financial Officer (FO) to determine status and appropriateness.
- Any insurance balance older than 60 days will be re-billed to the appropriate insurance company.
- Any insurance company with an insurance claim older than 90 days will be called for status check, the claim corrected if needed and then re-billed.

NSF Checks

Payments from clients that are returned after deposit due to insufficient funds are re-deposited if the client's bank states the check will clear. If, after one week's time, it does not clear, the client is sent an Insufficient Funds (NSF) letter advising them to resubmit the payment plus a \$ ____ NSF charge (except for 0% pay clients).

There is no charge to send current client records to other health care providers for continuation of care.

There is also no charge to copy records of the most recent annual exam and related lab results for clients.

Clients or other entities requesting copies of all records will be assessed a \$____ fee for up to 10 pages, \$ ____ for 11 to 20 pages, and \$____ for 21 or more pages.

Collections

- Reasonable efforts will be made to collect charges without jeopardizing client confidentiality.
 - Bills will be mailed out on a monthly basis to clients with a bill higher than \$ ____.
 - Billing staff will assess whether the client is requesting confidential services and is a "no contact" client. If the client is "no contact" bill will not be mailed to clients. Past due accounts for "no contact" clients will not be referred to a collection agency and will be written off as bad debt.
 - Outstanding bills past 190 days will be sent to ____ collection agency.

Bad Debt Write-Off

Client aging will be reviewed on a monthly basis by the FO and billing office staff. Each account will either be written off or turned over to the collection by using the following parameters:

- All accounts up to 90 days postdate of service will remain outstanding and statements will be sent monthly.

2. Any current account (an account that has had a payment made on it in the last 30 days) will remain on the client account system.
3. Any non-current account (an account that has not had a payment applied to it in the last 30 days) that is in the 91-120 day category will be sent an overdue letter explaining that discounts may apply and payment schedules can be set up by a family planning program employee to arrange payment.
4. Any non-current account that is in the 121-150 day category will be sent an overdue letter explaining that discounts may apply and payment schedules can be set up by a family planning program employee to arrange payment. This letter further explains that if a payment is not made within 30 days the account will go to collections.
5. Any non-current account in the 151-180 day category with balances less than dollars (\$) shall be written off. Any balance in excess of \$ will be referred to the collection agency for collection.
6. Although the client's past due amount is written-off as bad debt, the remaining balance due continues to be tracked within the PMS.
7. Once an account has been placed with the collection agency it will be taken off family planning program's accounts receivable system. This bad debt adjustment will be completed by the business office staff on a monthly basis.

Credit Balance

Credit balances on clients' accounts receivable will be analyzed for their appropriateness as to why there is a credit balance and to who, if anyone, it is owed. The accounts will be handled in the following manner:

1. Credit amounts will be kept on the books for 120 days.
2. After 120 days, if the credit balance is less than \$ — dollars it will be adjusted off the books.
3. After 120 days, if the credit balance is \$ — dollars) or greater, the client or insurance company will receive a refund.
4. Staff will ask client when s/he will be able to pay.
 - a. A notation "To be paid by ..." will be written on the bill, and will be given to the client with a return-address envelope.
 - b. The client will be directed to notify an assigned staff member if s/he cannot keep this commitment. This staff person is to be authorized to renegotiate a payment date.
 - c. The client account will indicate an account due.
 - d. A document identifying the client and amount owed shall be kept to track payments.
5. When payment is received, it shall be credited on the client's account.
6. If the bill is not paid when promised, or within 7-14 days of service, the project shall call clients (except "no contact" clients) and ask for payments or renegotiate the payment schedule.
7. If payment is not received within 30 days, a copy of the bill stamped "Past Due" is to be mailed with a return-address envelope to non-confidential clients
8. Credit is customarily not extended for more than one unit (cycle) of supplies.

Refunds

1. Billing staff will enter refunds of \$ — or greater into the PMS for clients with credit balances on their account older than 120 days. The FO will post the refunds in the PMS and prepare checks for signature and mailing within 30 days.
2. Billing staff will enter refunds of \$ — or greater into the PMS for insurance companies with credit balances on claims older than 120 days or when a request for refund is received from an insurance company after verification that a refund is required. The FO will post the refunds in the PMS and prepare checks for signature and mailing within 30 days.