ST. MARK'S SURGICAL CENTER, LLC

Policy & Procedure

Policy No.	14.07
Effective Date	1-15-07
Revision Date	
Approved By	Robert Martilla, RN
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SUBJECT: CREDIT POLICY & COLLECTION PROCEDURE

Philosophy

The Credit Policy of the Center recognizes that medical credit differs from business credit, not in procedure, but in purpose. Credit in business is extended for the basic purpose of helping to increase sales. The purpose of medical credit is to help the patient with payment of his medical bills. It is a patient service program only.

Policy

The Center's normal policy is to require payment by cash, check or credit card on the day of treatment, unless proof of insurance (including Medicare and Medicaid) coverage is provided.

The extension of credit to patients is based on the following general terms and conditions:

1. Credit is normally not extended without prior arrangement. Prior arrangement would include assignment of insurance benefits to Center, or agreement in advance to a satisfactory, regular payment schedule.

2. All charges are due and payable within 90 days from the date they are incurred, when an assigned insurance claim is filed. Any charges for services rendered, but not covered by insurance, are due and payable upon receipt of an itemized statement from Center.

3. If payment in full of the outstanding balance presents a hardship to a patient, Center may agree to an extended payment plan. An acceptable payment plan is one which requires an appropriate down payment and a minimum monthly payment of not less than $25.00. Special consideration may be given in the event of prolonged illness, unemployment or other unusual circumstances.

4. Insurance forms will be completed and submitted by Center with appropriate authorization from the patient. This service is performed as a courtesy to the patient. Center does not accept the responsibility of collecting insurance benefits or of becoming involved in arbitration of disputed claims unless we have an Agreement with the patient's insurance company. In the event of non-payment or partial payment of charges by an insurance company, the balance is the responsibility of the patient unless otherwise provided for herein.

5. Center is a contractual provider of healthcare services for Medicare/Medicaid and certain insurance companies. As such, the Center will accept payment from an agreed upon schedule as payment in full without recourse even though the payment may be less than the normal charges.

6. The Center is not a contractual provider for certain insurance plans, HMO's and PPO's. In those instances where the patient will incur an "out of network penalty" when treatment is provided at the Center; the Center will normally reduce the patient responsibility by the amount of such penalty up to 20% of the total charge. This reduction or discount must be approved in advance by the Administrator unless the Board has approved it for the specific third party payer.

7. The Center does not normally provide discounts except that it will discount up to 20% of the total charge at the request of the attending physician when the physician indicates that he/she is providing the same discount to the patient.

8. Patients will be billed monthly whenever an account balance exists, unless an insurance claim is pending.

9. Decisions regarding interpretation of, or exceptions to, the credit policy are the responsibility of the Administrator.

It is the general policy of Center to assign an account to a collection agency if no payment or other satisfactory arrangement is made within l20 days from the time the charges were incurred. Further, it is the policy of Center to authorize legal action against patients in an effort to collect accounts when all other avenues have been exhausted.

Purpose

The Credit & Collection Procedures are intended to provide for uniform and equitable interpretation of the credit policy of Center in the administration of credit and collection related matters. The credit policy of Center is consistent with consumer credit regulations and is flexible to allow exceptions for legitimate reasons. The objective within this framework is to effect collection of all net charges (totals less applicable insurance allowances) within 90 days of incurrence whenever possible. The Credit & Collection Procedures require a firm courteous approach toward the extension of credit and the collection of accounts.

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Procedures

Pre-Admission

At the time of scheduling of surgery, the physician's office will provide Center with basic information concerning patient's insurance coverage. In the event that patient does not have insurance coverage the physician's office will be instructed to have patient or responsible party contact the Center prior to the day of surgery to make financial arrangements as described below. If patient is insured under Medicare/Medicaid or a PPO/HMO plan ascertain coverage and/or precertification requirements and verify/obtain necessary information/approvals.

Self-Pay

a) Review the Center Financial Policy (Exhibit I) with the patient.

b) Inform the patient that full payment of account is expected at the time of admission, unless prior arrangements have been made.

c) You can estimate the approximate total of the bill based upon the scheduled surgery.

d) Request that the patient review and complete a Promissory Note (Exhibit III).

   l. Suggest payment in full at time of admission.
   2. Monthly payment of $25.00 per month minimum.
   3. Refer to Administrator if minimum payment not acceptable to patient.

e) Duplicate credit agreement.

   l. Give one copy to patient.
   2. Place original in patient chart.

f) A down payment is expected the day of surgery at the time of admission. The amount is based on the scheduled procedure and the corresponding charge group for the procedure as follows:

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Group	Minimum Down Payment
1	$300.00
2	$300.00
3	$300.00
4	$350.00
5	$400.00
6	$450.00
7	$450.00
8	$450.00

The groups are based on length of procedure and/or complexity of procedure.

In those instances where the estimated balance after insurance is greater than $l00, fifty percent (50%) of the estimated balance should be requested.

Admission

l. Review Patient Registration Data form (prepare if not already provided) with patient for completeness and accuracy.

2. Make a copy of patient's insurance card(s) (including secondary). Request/obtain copy of insurance claim form and have patient execute assignment of benefits portion of form.

3. Review chart for completeness for admission requirements (History and Physical, appropriate lab work O.K., pre-certification if applicable.)

4. Review the insurance portion of the Patient Registration Data form and take the following action based on the patient's insurance information:

   a. Medicaid

      Verify information on form and card and that card date is current through and including the date of surgery, and that prior authorization, when necessary, has been obtained.

   b. Medicare

      Inform patient that he is responsible for payment of balance of Medicare allowable charges not reimbursed by Medicare or Medicare supplemental insurance due to:

1) Unfulfilled Medicare Deductible
2) Unfulfilled Supplemental Insurance Deductible
3) No Medicare Patient B Coverage
4) No Supplemental Insurance Coverage

c. Commercial Insurance - Other than Blue Cross-Blue Shield

Each patient and/or responsible party should sign a credit agreement whose insurance company is not known to pay l00%.

1) Review patient's insurance information. If insurance is HMO or PPO obtain/verify pre-certification if needed.

2) Inform patient that he is responsible for payment of all charges. The Center will file a claim with his/her insurance company, but we are not responsible for collecting payment from the insurance company.

3) Inform the patient he is responsible for payment of any portion of the charges not paid by the insurance company (due to deductions, benefit exclusions, etc.).

4) Process the patient as a self-pay patient if the amount patient owes is greater than the insurance coverage will pay.

5) Inform the patient that he will receive a statement for the balance due after payment (or claim rejection) by the insurance company and that balances of less than $l00.00 are normally due upon receipt.

Inform the patient that he will receive a statement for the balance due after payment has been received from Medicare (and other insurance carriers if applicable). Balances of less than $l00.00 are normally due immediately. The minimum acceptable amount to be paid per month is $25.00.

If the patient indicates that $25.00 per month is a hardship, contact Administrator for approval of a lesser amount. A credit agreement form should be completed for the agreed upon amount and signed. Give patient a copy of the Credit Agreement (Exhibit II).

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Collection Process

The collection process varies depending upon insurance and/or payment status of the patient. The following procedures are described separately according to these categories.

1. Medicaid

   Center is obligated to accept the amount allowed under the Medicaid program without recourse to the patient. The collection process for Medicaid patients is therefore limited to the timely preparation and filing of the claim for payment and assuring that the appropriate amounts are received.

2. Medicare

   Center is obligated to accept payment based on allowable charges by Medicare. Inform patient that he is responsible for payment of the balance of Medicare allowable charges not reimbursed by Medicare or Medicare supplemental insurance due to:

   a) Unfulfilled Medicare Deductible.
   b) Unfulfilled supplemental insurance deductible.
   c) No Medicare patient B coverage.
   d) No supplemental insurance coverage.

   Process supplemental insurance as commercial insurance attaching copy of EOB.

3. Commercial Insurance

   The Center accepts assignment of benefits from most insurance companies, but retains the right to collect patient deductibles and co-insurance. First, prepare and file the proper insurance claim form(s). When payment is received from the insurance company, the amount is posted to the patients account. Determine the remaining balance. If there is a remaining balance, and the patient has a secondary insurance coverage, the claim preparation, filing and posting of payments is repeated. If a balance remains after posting all insurance payments, refer to item #5 below.

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NOTE: In the event that no payment, or communication indicating that payment is forthcoming, has been received from the patient's insurance company within 60 days after filing the claim, a call is made to the insurance company to inquire reason for no payment or correspondence. If unsatisfactory response, a statement is prepared and sent to the patient indicating this with Message #2 from Exhibit IV.

4. Insurance Claim Resubmittal

In the event that payment is denied or reimbursement amount is sub-standard the following action is taken:

a) Prepare duplicate claim form.
b) Write note indicating request for review and reason.
c) Highlight procedures for which review is requested on EOB.
d) Resubmit to carrier and indicate such on patient file.

5. Procedure for Remaining Balance

If a balance remains after insurance payments, the patient is sent a statement for the remaining balance (co-insurance) with Message #1.

6. Procedure for Delinquent Accounts

A delinquent account is defined as any account without payment activity (or credit) for thirty days or by the established payment due date. The procedure for collection of delinquent accounts varies with account age, amount of the balance due and the terms of the Credit Agreement as follows:

a) Full Balance to be Paid

30 Days Delinquent

A second statement is prepared with Messages #3 and #4.

60 Days Delinquent and No Response

If the balance due is less than $10.00 the account is closed and the balance posted to bad debts. If the balance due is greater than $10.00, a collection letter in is sent.

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90 Days Delinquent and No Response

If the past due balance is less than $25.00, a statement is prepared with Message #6. If the balance exceeds $25.00 contact the patient by telephone to establish a satisfactory payment schedule or plan.

l20 Days Delinquent

Accounts with balances due are turned over to the collection agency.

b) Periodic (Installment) Payment Schedule

30 Days Delinquent

A second statement is sent, indicating two (2) months installments are due with Message #5. Contact patient by telephone to establish that payment is due.

60 Days Delinquent

If the total balance due is less than $l0.00 the account is closed and the balance posted to bad debts. If the balance is greater than $l0.00, letter is sent to the patient.

90 Days Delinquent and No Response

If the total balance is less than $25.00 another statement is prepared with Message #6. If the balance due is greater than $25.00 the patient is to be contacted by telephone to reinstitute a regular payment plan.

120 Days Delinquent and No Response

Accounts with balances due are turned over to the collection agency.

EXHIBIT I

FINANCIAL POLICY

ST. MARK'S SURGICAL CENTER policy requires cash, credit card or insurance assignment from all patients.

As a service to our patients, we will complete and submit all insurance forms for patients with prior authorization. We do not however, accept responsibility for collecting insurance benefits, or becoming involved with disputed claims.

ST. MARK'S SURGICAL CENTER reserves the right to extend credit for certain pre-arranged individual cases. Extending credit is based upon satisfactory arrangement made with patient not less than one week prior to admission. These arrangements may include a completion of a credit agreement, which will establish an installment payment schedule. This is a patient service only and is provided without interest or finance charge.

Each patient should be prepared at the time of admission for surgery with necessary insurance information and a plan to fulfill any personal financial obligations.

Patients wishing to make credit arrangements or have questions should contact:

EXHIBIT II

CREDIT AGREEMENT

I understand that as a patient at ST. MARK'S SURGICAL CENTER, I am responsible for the payment of all appropriate charges. I further understand that my insurance may not provide for full payment of these charges. I hereby agree to make full payment of ANY AMOUNT NOT PAID BY MY INSURANCE AS FOLLOWS:

Check One

______ Payment of total balance due upon receipt of statement.

______ Payment to be made monthly until account is settled in full.

Monthly payment of $____________.

I have read this agreement and agree to make payments as indicated above.

____
Date Patient Name

Signature of Patient or Responsible Party

__________________________________ Name of Responsible Party (Please Print)

Agreement accepted for _______________ Center by:

St. Mark's
SURGICAL CENTER

EXHIBIT III

PROMISSORY NOTE

The undersigned promises to pay to the order of ST. MARK'S SURGICAL CENTER, the sum of ________________ Dollars ($_______), for services rendered on _________________. Payment of _______________Dollars ($_____________) to be made prior to surgery, no later than ______________________. Balance to be paid _______________Dollars ($_______________) per month until paid in full, beginning on _________________, and continuing each month thereafter until paid in full.

I understand that in the event my account should become delinquent; payment not received within thirty (30) days of due date, my account may be referred for legal action to collect the remaining balance in which case I understand that I will be responsible for any legal fees incurred.

___________________________ ___________________________
Signature Name (Please Print)

____
Address City State Zip

____
Telephone

___________________________________ ______________________________
Employer Telephone

____
Address City State Zip

___________________________ __________________
Witness Date

EXHIBIT IV

THESE MESSAGES ARE PRINTED DIRECTLY ON THE COMPUTER GENERATED STATEMENTS:

Message #l	-	Your insurance company has made payment as indicated on this statement. We will appreciate your prompt payment of the balance due.
Message #2	-	To date, your Insurance Company has not honored this claim. Please contact your Insurance Company immediately to expedite payment or remit full payment to us at this time.
Message #3	-	Just a reminder -- your bill is past due, please remit payment today.
Message #4	-	If you are unable to pay the full balance due, we will accept regular partial payments. Please call us today to make arrangements.
Message #5	-	Did you forget? You agreed to make timely installments payments. Your installment is now past due. Please send your payment today!
Message #6	-	Immediate attention to your long overdue account is necessary or we will be forced to take legal action to collect your account.